

## British Airways to halt Heathrow flights to Europe

Strike by British Airways nance men has caused the nation from Monday of all line's national and European out of Heathrow airport. It would not be able to offer a service after tomorrow.

## Strike 'bars proper service'

other than Heathrow would not be affected by the decision at Heathrow. Sovereign Airlines, which operates British Airways' long-haul international flights from Heathrow, would not be affected.

A warning of possible redundancies is given in British Airways' news by Mr. Henry Marking, the managing director. He says that 290 staff are surplus to requirements but will not be made redundant until the strike is over. He says that the company will have to make a decision on whether to redeploy staff to other airports or to make redundancies. He says that the company will have to make a decision on whether to redeploy staff to other airports or to make redundancies.

Mr. Mark Young, a trade union leader and chairman of the national joint council, said: "The trade unions are very keen to have these immediate redundancies filled, because they wish to avoid redundancies at all costs. But they are very concerned at what they consider to be legitimate objections to redeployment in certain key areas." Ferry dispute talks: Talks are to be held on Monday to try to resolve the dispute over the channel ferry. Mary Poppins, operated by the West German airline, British and French airlines and seamen have refused to allow the ship to dock because they say she will cream off the holiday traffic.

The ship sailed for St. Malo yesterday, but found the harbour almost blocked. The company said it had no intention of picking up passengers and only wanted to have talks with the French unions about the dispute. All weekend sailings have been cancelled.

Rome, May 30.—A national 24-hour airport strike halted flights of Italy's Alitalia and ATC airlines today and curtailed flights of foreign airlines.

Hundreds of travellers were stranded at Leonardo da Vinci international airport, Rome, without meals because airport restaurant workers joined the strike and passengers on the few incoming flights had to carry their bags because baggage handlers also were on strike.

The strikers want a single work contract for airport workers, ground and cabin crews and pilots. The pilots have refused to be included in such a contract.

Unrelated strikes by airport workers, pilots and firemen have repeatedly disrupted air travel over the past few weeks.—UPI.

## Basques see BBC as an aid in their struggle

From Harry Debelius  
Madrid, May 30

The Basque nationalist underground is spreading the word throughout the Basque country that people should listen to the BBC to find out what is happening there, it was learnt in Madrid today.

Leaflets listing wavelengths on which the BBC can be heard were reported to have been distributed in the two provinces affected by the state of emergency, as well as in other parts of Spain.

For Basque supporters of home rule the situation is reminiscent of the Second World War, when the BBC was a major source of news for resistance fighters.

A Basque nationalist source said in Madrid: "We are very pleased with the report broadcast by the BBC, revealing the violence and oppression in our land. It is encouraging to think that the world is hearing about our suffering, and it is useful for our own people to learn the truth about what General Franco's political police are doing."

A Basque underground source said today that the Civil Guard was holding a young woman, a Basque lawyer, as a "hostage" in an apparent attempt to capture a Roman Catholic priest who has gone into hiding.

The woman, from the village of Bagnio, was reported to have been taken prisoner last week and told she would not be set free until she said that Father Jose Maria Madariaga, the village priest, was hiding.

Bombs went off in two Basque towns today, damaging property but causing no injuries. One, wrecked an electric appliance shop owned by a man who helped establish and maintain a school of the Basque language in Oudizos, the town where the police shot an 18-year-old student dead a week ago.

The student and the owner of the shop shared the same last name, Arriola, but Basque sources say they were not related.

The other bomb caused extensive damage to a shop in Guernica. It was owned by a man identified by Basque sources as Señor Arana, whom they said had been arrested in the past on suspicion of having contacts with the outlawed Basque separatist organization ETA.

Madrid, May 30.—The Spanish Government said today that it had received reports of a strike by Basque separatist propaganda calling for strikes and protests had increased sharply.

Señor José Garcia Hernandez, the Minister responsible for the situation, blamed on the Communist Party at a Cabinet meeting on the eve of President Ford's visit to Spain.—Reuter.

Our Foreign Staff writes: The BBC's Spanish service broadcast today a one-hour news and comment each day, including a résumé of what the foreign press is saying about Spain. As most foreign newspapers are unavailable in the Basque country, the BBC has become one of the Spaniards' main source of information on how events are viewed from abroad.

A spokesman for the Spanish service said there was evidence that many more Spaniards were listening to the BBC's broadcast since the civil war in the Basque country developed.



President Ford outside the United States Embassy in Brussels yesterday with Mr. Wilson and Mr. Callaghan.

## Portugal and Spain evoke strong reactions from Nato heads of government

From Michael Hornsby  
Brussels, May 30

Nato heads of government today concluded their two-day summit in Brussels with an affirmation of their "resolve to preserve the solidarity of the alliance and restore it, where impaired, by removing causes which disturb it among allies."

The communiqué was issued after a full day of speeches by Nato leaders in reply to President Ford's address yesterday.

A suggestion for annual summit meetings of Nato heads of government was advanced by Mr. Trudeau, the Canadian Prime Minister, and met general agreement, although the French, whom General de Gaulle withdrew from the command structure of the alliance in 1967, remained non-committal. France still takes part in the political activities of Nato and was represented by M. Sauvagnargues, the Foreign Minister.

The communiqué said that the armed forces of the Warsaw Pact continued to grow in strength beyond any apparent defence needs.

In a reference to the conference of security and cooperation in Europe, the allies expressed their hope that the negotiations in Geneva could be concluded in the near future on satisfactory terms.

From Our Own Correspondent  
Brussels, May 30

President Ford said tonight that his government continued to favour a "Spanish relationship" with the NATO alliance, but recognized that it was unlikely to be brought about in the immediate future.

Speaking at a press conference in Brussels, he said: "It is an issue that the alliance must face and we hope that, as time moves on, there will be a better understanding of it and hopefully a developing relationship."

The question of Spain's

The communiqué also emphasized that the "development of understanding and cooperation also required mutual and balanced force deductions in central Europe in a manner which could contribute to more stable relationship and enhanced security for all."

The Turkish-Greek dispute over Cyprus and the situation in Portugal and Spain dominated today's proceedings as well as yesterday's. Concern over the loyalty of the strongly left-wing armed forces Government in Portugal was reflected in the communiqué, linking the future of democracy and freedom throughout the world to the future of those countries whose common heritage embraces these ideals and where they enjoy widest popular support.

Brigadier Vasco Gonçalves, the Portuguese Prime Minister, has been left in no doubt during the past two days that the NATO alliance and less apprehension among his Nato partners.

The communiqué skirted round any direct reference to Spain. Yesterday President Ford had called on his colleagues to consider how to relate Spain with Western defence and reminded them that General Franco was already making "an important contribution to Western military security" through the bases made available to United States forces.

Brigadier Gonçalves was grilled in a private meeting with Herr Schmidt, the West German Chancellor, this morning. Herr Schmidt questioned the Brig-

adier sharply on such matters as the closing down of the Socialist newspaper *República*. He was not impressed by the explanation that the closure was due to a labour dispute.

Later, in his summit speech, Herr Schmidt said he had "observed with great interest the Portuguese endeavour to create a democratic society."

"We understand that democratic structures cannot be built overnight," he said. "On the other hand, it is obvious that a non-democratic development could create problems within our community and could ultimately lead to a situation incompatible with membership in our alliance."

Brigadier Gonçalves, in his address to the summit, said that his country's political structure was in keeping with Nato membership, which he believed was in Portugal's interest. He appealed for "more comprehension and less apprehension" among his Nato partners.

Text of communiqué and Wilson statement, page 5

There was an almost universal cool reception for the idea of a closer association of Spain with Nato. One of the strongest reactions came from Mr. Joop den Uyl, the Dutch Prime Minister, who said: "I am certain that any military gain that might accrue from a gesture towards the Spanish regime would be offset by the loss of political credibility that the alliance would incur."

Mr. Demirel, the Turkish Prime Minister, in a spirited attack on the embargo on American arms supplies to his country, which was imposed after the invasion of Cyprus last year, said it was "a self-destructive action" which made nonsense of Turkey's contribution to Nato's defence was still considered important.

His Government wanted to solve the differences with Greece "through peaceful means and bilateral contacts." Mr. Demirel is to meet Mr. Karamanlis, the Greek Prime Minister, tomorrow in the Egmont palace in Brussels. It will be their first meeting since the Cyprus crisis blew up.

Mr. Karamanlis, in his contribution to the summit discussions, complained about Nato's failure to prevent the Turkish invasion of Cyprus.

Text of communiqué and Wilson statement, page 5

## Mr Ford emphasizes role of Franco bases

relations with Nato was one of the most controversially discussed at the summit. Mr. Ford's European allies, who seem to be united in their dislike of General Franco's regime as in little else, were universally opposed to forming closer ties with Spain.

President Ford emphasized the importance of American base rights in Spain which contributed significantly to the defence of the West.

On the hardly less sensitive issue of Portugal, Brigadier Gonçalves the Portuguese Prime

Minister, of "the contradiction that would arise if communist elements came to dominate the political life of Portugal."

There was general agreement that the situation must be watched with care and concern, but also with deep sympathy and friendship for the people of Portugal.

Questioned about the conference on security and cooperation in Europe, President Ford said that the negotiations in Geneva were "reaching a point where there is some reason for optimism." Some points re-

mained to be solved, but progress was being made.

Asked about his criticism yesterday of "partial membership" of the Nato alliance, President Ford said that it had been directed specifically at Greece and not France.

He hoped that Greece would return to its previous status within the alliance once the Greek-Turkish dispute over Cyprus was resolved, he said.

Mr. Ford also said he would support strongly the suggestion put forward by Mr. Trudeau, the Canadian Prime Minister, for more regular Nato summit-

## 800 jobs will be cut as York City crisis grows worse

Stratford  
May 30

York City's financial autonomy reached a new peak as a result of a outspoken speech on last night by Mr. Beame, the Mayor, who said that the city was in a "crisis level" and said that an reduction of jobs, approximately

launched an attack on the government's state senators in the banks for refusing to raise the budget, which he said would rise from the "crisis level" to the "austerity level" and about 37,000 layoffs would be avoided.

Mr. Beame is still hoping to raise about \$64m (270m) for next year's budget, which he wants to July 1. In that case, the budget would rise from the "crisis level" to the "austerity level" and about 37,000 layoffs would be avoided.

But even if the austerity level were reached, a whole range of employees, from policemen, firemen and dustmen to teachers and hospital staff, of those, it is estimated that about 7,000 would fall through normal attrition, 9,000 are now vacant and would not be filled, and nearly 14,000 would be dismissed.

Meanwhile there are cries of injured innocence from the New York banks and angry responses from the Republican state senators. But Mr. Beame appears to have had some success in diverting anger away from himself and on to these other targets.

One union leader has talked of a boycott of the First National City Bank, the largest in New York. The local president of the Teamsters' Union, characteristically, has been even more direct.

Talking of the Republicans, he said: "We are going to the normal policy that the Teamsters follow. If you support your friends and you beat the (explosive deleted) out of your enemies."

## EEC yes to Leyland nationalization

The European Commission yesterday approved the Government's nationalization plans for British Leyland. A spokesman said in Brussels that after examining the British scheme, the Commission had come to the conclusion that it was compatible with EEC rules. The spokesman added that the Commission's policy towards state aids to particular industries was that they were justified provided they could reasonably be expected to improve competitiveness. Page 13

## Home Secretary is heckled by police

Delegates to the Police Federation's annual conference heckled the Home Secretary yesterday, seeking quick action over their pay negotiations. However, the conference voted against a referendum on whether policemen should have the right to strike. Page 2

## Concorde rival 'cheaper'

Mr. Alexei Tupolev, designer of the Soviet supersonic airliner, the Tu 144, told Western journalists at the Paris air show yesterday that the United States and India were showing interest in his test flights. He said that when it was sold to foreign countries it would be "cheaper than the Concorde". Page 3

Education spending: University heads last night promised to assist the Government in its scrutiny of national educational spending. Page 2

Scottish nationalism: The Scottish National Party conference committed the party to participate fully in the Government's proposed Scottish Assembly, but to strive to extend the Assembly's powers. Page 2

Liberal: Editor says he is in fear of his life as banned newspaper is printed on secret press. Page 3

Geneva: Talks on nuclear non-proliferation treaty end in compromise and disappointment. Page 4

India: Trial of British woman held in jail for five years to begin on Monday. Page 5

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Home News: 2  
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Sight regained: Mr. Jon Lawrence, aged 43, of Maidstone, Kent, who recovered his sight after four years of blindness when he tripped over his guide dog and fell down stairs, striking his head. He is with his daughter Janette, aged nine, and guide dog, Omar.

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Roger MacIntyre predicts yet another triumph for American blood in the Derby; George Hutchinson criticizes some of the arguments and slogans being used in the referendum campaign; Louis Heron on the prairie populists.

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Letters: On issues in the EEC referendum, from Mr. E. O. Vaughan and others.

Leading article: The EEC referendum.

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Sheridan Morley interviews Daniel Massey; Frank Sinatra at the Albert Hall; Travesties at the Aldwych.

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Sport: Top seed beaten in Italian championships; Football: Hughes dropped from England party; Athletics: prospects for British Games; Racing: Kempton Park, Newmarket and Thirsk.

Business News, pages 15-19  
Stock market: Equities were hit by profit-taking. The 100 index closed 3.4 down, at 3451.

Investor's week looks at the gloomy outlook for textiles; John Drummond discusses more ways of mitigating capital transfer tax through insurance.

## Mr Solzhenitsyn says Third World War already lost

From Our Own Correspondent  
Paris, May 30

The Third World War started immediately after the Second, in 1945, at Yalta, Alexander Solzhenitsyn, the exiled Russian author, claims in a resounding indictment of the weakness of the West against communism, published today by Le Monde.

"Once the Second World War succeeded the First, who, in thought and in word, was not obsessed by the question: will the Third break out one day? But those who note, those who have the courage to admit that the Third World War has already happened, that it is almost something of the past, that it ended this very year—and that the free world has irretrievably lost it—are very few," he writes.

After the loss of China, North Korea, Cuba and North Vietnam, and now South Vietnam and Cambodia, the Nobel Prize winning author writes, Laos is about to be lost.

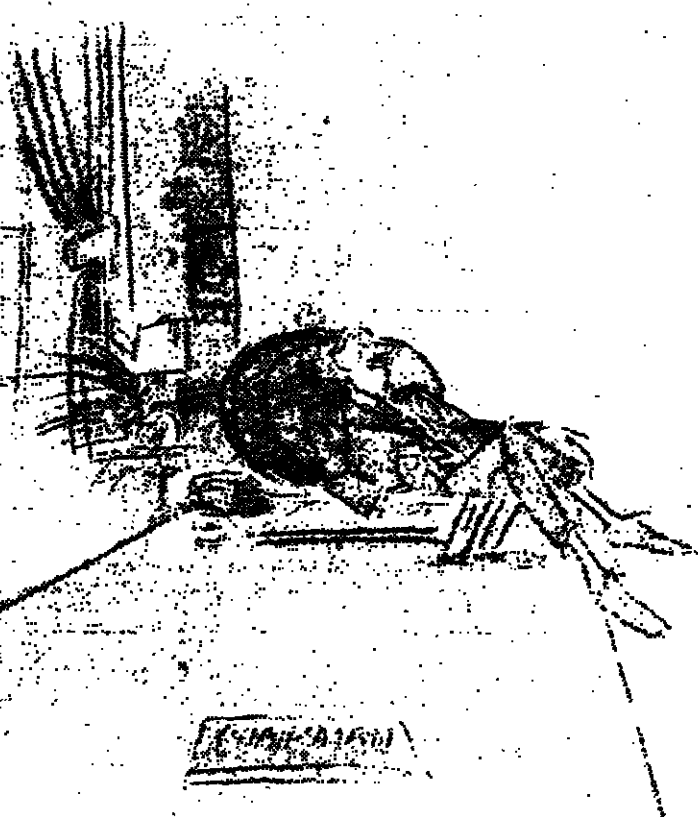
He goes on, "Thailand, North Korea, and Israel are threatened."

In two or three more decades of similar coexistence with communism, the West will thus disappear, he concludes. "It is no longer the time to ask oneself how to avoid the Third World War. But," he says, "one must have the courage and lucidity to stop the Fourth—to stop it, and not to fall on one's knees."

## British family die in plane crash

Nice, May 30.—A light aircraft reported missing since yesterday was found tonight crashed on a mountain side. Its four British passengers were all dead, police reported.

They said the victims were Mr. Peter Baran, aged 32, a company director from Solihull, 35 wife Janis, aged 32, and their two children—AP.



If you're drinking Löwenbräu you must be somewhere nice.













## EEC REFERENDUM

## Rules on offshore oil supply market 'threaten new jobs'

By Our Political Staff

The EEC rules which would allow Community countries free access to the huge offshore oil supply market would put at risk the creation of tens of thousands of jobs in the United Kingdom, especially in areas of high unemployment, Mr Meacher, Under-Secretary of State for Industry, said last night. He told a meeting in north London:

What makes Britain attractive to our wealthy EEC neighbours is not only North Sea oil but the priceless associated assets of the offshore supply market. This market is now worth well over £500m a year, according to the Government's offshore supplies office, and could mean the creation of up to 80,000 oil-related jobs a year. But the Treaty of Rome and the ambitions of the EEC bureaucracy threaten the British Government's detailed direction of offshore development in two ways. One relates to a policy of positive support for the British offshore supply industry, and the other is control over the price and destination of oil and gas output.

Mr Meacher said that the Treaty clearly prevented any attempts by the British Government to control ownership of plant and equipment for British North Sea oil and gas operations. Yet that industrial sector offered the chance of a century, for bringing about "the regeneration breakthrough for British industry."

The market for equipment and services on the United Kingdom continental shelf, according to the offshore supplies office, included more than 55 major contractors and 800 subcontractors, but also another 2,000 companies with direct involvement. He said that giving full EEC access to that huge market would mean that the new Scottish industrial revolution would be stillborn, and a shadow would fall across those dazzling hopes of a large national revival.

The United Kingdom was also prevented, under Article 34, from favouring its own industries by selling them oil below the export price. Since industry now spent about £2,000m a year on oil, this ban deprived the

country of an immense potential competitive advantage. North Sea oil, which might have provided the crucial catalyst for a new British industrial resurgence, is robbed by the Market of its critical role for Britain. Yet another anxiety is that we could lose the right to control the rate of depletion of our own North Sea oil and gas. It is certain that while we remain in the Market we shall be under considerable pressure to agree to the maximum depletion rate, which may well suit their interests, but not ours.

A European Commission report noted last year that the EEC was then 64 per cent dependent on imported energy. But it added that given an accelerated extraction of oil from the North Sea, implying early depletion, EEC energy dependence on imported energy could be reduced by 1985 to 45 per cent.

Mr Meacher said British interests lay in moderating the rate of depletion. But that was a crucial aim Britain would achieve with certainty only outside the EEC.

Oil sale curb: Although the Government had made it clear that Britain would control the supply of her energy resources, such as North Sea oil, depletion of the price of remaining in the EEC was that she would not be able to sell the oil more cheaply in Britain than in the other EEC countries, Mr Meacher, Parliamentary Under-Secretary of State in the Department of Energy, told an anti-EEC press conference in Glasgow yesterday (four Glasgow Correspondent writes).

The other countries would have the same right to tender for services associated with North Sea oil exploration. "That is their right under EEC rules."

But they had no more expertise than Britain. Indeed, we were probably ahead of them. Britain started from a base of great potential economic and industrial strength. She would be self-sufficient in energy in the 1980s. The view that that would be disastrous if it came out of Europe was totally unwarranted, he said.

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## Opponents criticized for making 'wild promises'

Many wild promises had been made during the referendum campaign in a vain attempt to sway the British people to vote against the EEC, Mr Thorpe, the Liberal leader, said yesterday.

"We have been promised by Mr Douglas Jay and others a return to the glorious days of cheap food and Commonwealth preference if the British housewife will only vote 'no', he told a meeting at Buxton, Derbyshire.

Mr Thorpe said the promise of cheap food meant that Britain either had to exploit the Third World for its food supplies or the world price, which, in the case of imports such as sugar and cereals, was far higher than the EEC price.

Mrs Williams, Secretary of State for Prices and Consumer Protection, said it would be far more difficult for Britain to put her own house in order if we left the EEC.

She told a meeting in Swansea that the Community could not do the job for us, but it

could and would help. That could be done with loans for new factories, grants for training workers, transitional help to those made redundant and with financial and food subsidies.

Mrs Thatcher, Leader of the Opposition, said yesterday: "The approach of the anti-Marketees clearly seems to be that a scare a day keeps the referendum away. Today in their radio broadcast they tried to frighten us with predictions of VAT. But as we all know, no existing Community rules set the rates of VAT."

Mr Christopher Layton, a director of the European Commission, said in London yesterday that the growth of the United Kingdom's electronics industry depended on its development in the context of Europe.

Joint governmental and public policies of the kind the European Community was designed to generate were the only way European industry could match the power of competitors like the United States and Japan.

## MP criticizes 'partisan' information unit

Mr Bryan Gould, Labour MP for Southampton, Test, and a constitutional lawyer, yesterday accused the Referendum Information Unit of giving misleading answers on Britain's sovereignty within the EEC.

The unit in its written answers was falling in its duty to give purely factual information, and was taking a partisan approach. Mr Gould said: "No one would think from reading the unit's brief on sovereignty that many substantial law-making powers will be transferred from our own democratically elected Parliament to Community institutions over which there is no democratic control. It does no service either to the pro-Market or anti-Market case to pretend that Common Market membership means a fundamental change in the way we govern ourselves."

The British people were being asked to reverse the direction of a 200-year struggle for democracy.

## Scots 'could send envoy to EEC'

If the referendum result leaves Britain a member of the EEC Scotland could be directly represented at the Commission in Brussels just as the German state governments, such as Bavaria, were represented, Mr Whitelaw, deputy leader of the Conservative Party, said in Edinburgh last night.

Another development to mutual advantage would be for Scotland to offer facilities for one of the Community's institutions to be established in Edinburgh, he added.

## Britons say 'Yes'

A Committee of British Citizens' poll among Britons in the Netherlands showed 96 per cent in favour of the United Kingdom remaining in the EEC, it was announced yesterday. But only 2,200 out of 10,000 eligible to vote did so.

## Wales, neglected on the fringe of Britain, fears worse on the far periphery of Europe

## Regional policy key to Welsh attitudes

From Trevor Fishlock

What Wales wants above all is the prospect of restoration and growth. She wants an end to the depopulation that has sapped the industrial and rural valleys. She wants the self-confidence that comes from winning economic battles.

For 50 years Wales has been on the receiving end of regional aid policies. It would be too sweeping to say that they have failed; but only in patches have they been successful. When Welshmen compare their country with England, the middle, they observe the disadvantages of life on the periphery.

For many Welshmen the question of Europe centres on regional policy: will Wales do better economically by staying in the EEC, or by getting out?

The Welsh Labour Party and Plaid Cymru have voted strongly at their annual conferences for saying "No" in the referendum, and clearly many in those parties do not think much of what they have heard of EEC regional policies.

They argue that Wales has suffered through being a fringe of Britain and would be worse off as a fringe of Europe.

They believe that industry will drift away from the European centre, and if they are not entirely happy about the management of Welsh affairs by successive British governments, they say better the London devil they know than the Brussels devil they do not.

Welsh supporters of membership say the EEC offers the best chance of tackling economic difficulties. Their case is that the EEC has a genuine sense of social responsibility. They also say the United Kingdom is bound to be better off, and Wales will get a better share of what is going. It is no secret that some companies, such as Hoovers at Merthyr Tydfil, are waiting for the referendum result before committing themselves to expansion.

A large part of anti-EEC feeling in Wales is instinctive: the natural fear of a small country of 2,800,000 people, with a distinctive identity and culture, being gobbled by a great European.

The alternative view is that Wales has kept her language and difference, even after a long marriage to England and cultural domination by the world's most powerful language, and will survive in a Europe where there is, on the whole,

a more tolerant attitude to minorities.

Welsh Nationalist philosophy contains a strong sense of Europe, seeing Wales as part of a community of communities, and some nationalists are dismayed at the party's opposition. But the EEC is regarded by most as the "capitalists' club" and so Plaid Cymru's attitude is expressed in the slogan "Europe, yes; EEC, no."

In the Welsh Labour Party there are well known figures on both sides of the argument, but no bitterness.

Those in favour of devolution and against the EEC have seen a contradiction in people struggling to get more of the management of Welsh affairs into Welsh hands while apparently supporting the idea of more decision-making going to Brussels. Wales will have only a tiny voice in the European councils, they say.

Three quarters of the people of Wales live in the industrialized south-east. In rural Wales the farmers have been thinking hard about how membership has affected them. They are unhappy about soaring costs and concepts such as farm amalgamation, but they are pleased that the EEC has adopted a hill-farm policy.

## 'Buy British' plea to patriots by Mr Shore

By a Staff Reporter

Fresh from renewing Britain's pledge of no import controls in Paris, Mr Shore, Secretary of State for Trade, appealed to British consumers to "buy British."

Speaking at a press conference of the anti-EEC National Referendum Campaign, he said: "I do find it astonishing that many people seem to be buying goods without any thought for the consequences in this country."

He was in favour of people buying what they wanted when the country's trade was in balance. But when the country was in a difficult position people should consider the economic and employment implications of every purchase.

He spoke of the 750,000 French, German and Italian cars bought in Britain in the past three years and urged that people should buy British where there was no strong or overriding reason for not doing so. Asked whether he was appealing in patriotism, he said: "I think a certain degree of affection for your country is not a bad thing to have."

Earlier he had said that 99 per cent of Britain's total non-oil trade deficit last year was with the EEC.

Mr Shore appeared unwilling to accept that quality and price were the overriding factors for people buying foreign goods. He could not imagine anyone disagreeing that when there was a reasonable choice, it should be exercised in favour of the British article.

The result would be more jobs and less imports. He did not think Britain's trade partners would retaliate.

Asked whether he favoured import controls, Mr Shore said he had just stated in Paris on behalf of the Government that it favoured continuing the trade pledge and a liberal approach. That was subject to the quali-



Mr Shore speaking yesterday.

cation that countries in surplus did not cut down domestic consumption, thus squeezing products out on to the export market.

He described the Organization for Economic Cooperation and Development (OECD) as a "forum far more important to the people of this country than any number of arrangements made in the limited context of Brussels, including the G7 and a few West European countries."

Both Mr Shore and Mr Deakin, Under Secretary of State for Trade, argued that British industrialists should be concentrating on the fast-growing markets of the oil and mineral-producing countries of the Middle East, Africa, Latin America, Australia and New Zealand, not on a stagnant Europe.

## Mr Mikardo quotes food prices 'evidence'

Mr Ian Mikardo, Labour MP for Tower Hamlets, Bethnal Green and Bow, last night attacked the pro-European arguments on food prices. He said at Bedford, Stevenage, that Mr Williams, Secretary of State for Prices and Consumer Protection, kept saying membership had made no difference to food prices in Britain.

But on May 1 her colleague, Mr Edward Bishop, Minister of State for Agriculture, Fisheries and Food, had told the House of Commons that the prices paid for principal foods inside and outside the EEC, Mr Mikardo said, and continued:

He was not able to compare the prices at which we are buying meat and fish in the Market and outside, for the very simple reason that, as he said, the Common Market has imposed a ban on our buying beef and lamb from the rest of the world.

But he was able to compare the prices of lamb, butter and cheese. We are buying lamb at £7.39 and £7.46 a ton and outside it at £4.60. We are buying butter at £2.39 and £2.46 a ton and outside it at £1.60. We are buying cheese at £3.89 and £3.92 a ton and outside it at £2.40. We are buying beef at £1.39 and £1.42 a ton and outside it at £0.80. We are buying fish at £1.39 and £1.42 a ton and outside it at £0.80.

Mr Mikardo said that the prices of food in the Common Market were higher than outside, and that the Government was not doing enough to protect the domestic market. He said that the Government should be doing more to protect the domestic market from foreign competition.

## Fishing grounds will be lost, Mr Powell says

By Our Political Staff

Britain was on a hiding to nothing over the future control of territorial waters and fishing grounds because of EEC membership, Mr Enoch Powell, United Ulster Unionist MP for Down, South, said at Ayr on May 30.

In seven years' time, by EEC law, the United Kingdom would have no territorial waters and no fishing grounds of her own. "These will be the common territorial waters and fishing grounds of the whole EEC where we shall have no more rights than the nationals of any other province of the new super state."

Even after a "Yes" vote, Britain would depend heavily on her Community partners to bale her out. But that would be no bad thing:

foot, like the German Emperor, would be put running the show at Canossa. First of all, throw away all your bargaining power and then afterwards see what you can get.

Dealing with steel, he said that the Government had come away from the so-called renegotiation giving notice to the Council of Ministers that it might be necessary to ask for a treaty revision if there was no agreement on the steel difficulties which had arisen over the control of the steel industry.

Pro-EEC ministers accused Mr Benn and Mr Foot of being liars, while at Brussels they were saying: "Please do something to set us free from your controls over British industrial policy."

## Lord Chancellor dismisses 'entry' allegation

By Our Political Staff

Lord Elwyn-Jones, the Lord Chancellor, last night dismissed an allegation by the National Referendum Campaign, that an EEC regulation to enter and search homes and offices in Britain.

He said the right of entry under Regulation 17, concerned with the prevention of restrictive trade practices, was confined to "premises, land and vehicles of undertakings."

## Twin town says 'Vote yes'

Bonn, May 30.—West Germans in Datteln have written in British voters in Cannock, their twin town, urging them to vote "yes" to the EEC.

In a letter in English sent to all members and friends of the Cannock Labour Party, the Datteln branch of the Social Democratic Party said: "A united Europe will be impossible without Great Britain."

## WEST EUROPE



Dali bust: The Spanish painter poses for his sculptor friend, Arno Breker, in Paris.

## Editor in fear of his life in Portugal as newspaper is printed on secret presses

From José Shercliff

Lisbon, May 30.—The new version of the suppressed Lisbon evening newspaper *República* is being produced clandestinely, and its editor, Dr Lúcio Rego, goes in fear of his life.

At a press conference held by the editorial staff of the newspaper, now entitled *Jornal do Caso República*, whose first number appeared yesterday, it was made clear that the name of the printers would not be given. It does not appear on the newspaper, an omission which is illegal in Portugal. The producers are afraid of communist retaliation.

The closing down of the newspaper last week was due to a dispute between the printers, who belong to the communist-oriented printers' union, and the editorial staff, which is predominantly socialist. The printers accused the editorial staff of giving socialist-slanted news and of attacking the Communist Party.

Dr Rego, who seems depressed and distressed at the fate of the newspaper, which has fought for democracy throughout the reactionary regime, said that he feared that if he went back to the *República* offices he would be killed. It has been stated that during the 24 hours when he and his staff were held there by the printing staff, they were aware that there were arms in the building.

The fate of the newspaper is now in the hands of the law courts, which according to the new press law must find a solution to the case. It is not known when the next number of the *Jornal do Caso República* will appear. Three days ago the *República* journalists tried to print their first issue on the presses of the provincial newspaper *Serpaense*. They were prevented by the printers on the spot.

Lisbon, May 30.—A crowd of Communists attacked the Lisbon office of an extreme left-wing organization early today and tried to throw out the occupants, but were held back by troops armed with machine guns.

The incident came after troops ransacked offices of the organization—the Movement for the Reorganization of the Proletarian Party (MRPP)—in most parts of Portugal yesterday, arresting at least 200 people and carrying off lorry-loads of pamphlets and equipment.

After forcing the Communists back from the Lisbon office, a sergeant told Reuters: "We do not agree with the MRPP, because of what they did to our soldiers, but we have to keep order."

Rome, May 30.—The Portuguese socialist party leader, Dr Mario Soares, was quoted today as saying the Communist Party could gain power in Portugal only through force, not by way of the ballot box.

Dr Soares spoke to an Italian journalist on the day the *República* in Lisbon was occupied by Communist printers. The interview was published today in the Italian magazine *Europeo*.—Reuter.

## W German leftists jailed

Hamburg, May 30.—Four people said to be connected with the Baader-Meinhof gang or urban guerrillas received prison sentences ranging from five and a half to 12 years today after a court convicted them of bank robbery and other crimes.

The convictions and sentences came during a recess in the trial in Stuttgart of Andreas Baader, Ulrike Meinhof and two other alleged leaders.

The court found the four, who had been tried in Hamburg, guilty of taking part in a criminal association, "whose aim, in a leftist radical sense, was to carry out bomb attacks."

Sigurd Debus, aged 32, was jailed for 12 years; Wolfgang Stahl, aged 23, and Gerd Wille, aged 32, for five and a half years each; and Karl-Heinz Ludwig, aged 32, for six years.

## Demand to quash wine case sentences

Paris, May 30.—The Bordeaux Court of Appeal, reviewing sentences imposed last December by a lower court in the wine scandal case, has given itself plenty of time to deliberate. It will announce its verdict on July 8.

Luxury for the eight leading defendants, including M. Lionel Cruse and M. Yvon Cruse, managers of one of the oldest and most reputable wine shippers in Bordeaux, have objected to the sentences as too severe, and have demanded that the case against them be dismissed.

tion to the case. It is not known when the next number of the *Jornal do Caso República* will appear. Three days ago the *República* journalists tried to print their first issue on the presses of the provincial newspaper *Serpaense*. They were prevented by the printers on the spot.

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## Swedish coalition move to avert special poll

From Roger Choate

Stockholm, May 30.—The ruling Swedish Social Democratic Party today was reported to have entered into an informal coalition with the opposition Liberal Party, thus averting the need for special elections to resolve a parliamentary deadlock.

For nearly 18 months, socialist and opposition blocks each have held 175 seats, and lots are occasionally drawn to resolve tied votes. Mr Olof Palme, the Prime Minister, last night conferred for several hours with Mr Gunnar Heide, the Liberal leader, well-informed sources said.

They agreed in principle on the nation's economic course from now until autumn 1975, when regular elections are due, the sources said.

Details of the reported agreement were not disclosed.

## Compromises ends talks on nuclear proliferation

From Alan McGregor

Geneva, May 30.—A call to all countries nuclear installations stricter physical security measures to prevent the theft of materials is made in the declaration, adopted by consensus, of the 60-nation conference of the treaty preventing the spread of nuclear weapons.

It ended four weeks' discussions in Geneva today as air was thick with forceful comments from several countries, some of them non-aligned, on the inadequacy of its measures.

Their hopes that the treaty, initially proclaimed some as "the most important disarmament conference since Hiroshima," would reinforce the 1970 nuclear proliferation treaty dashed against the ro superpower obduracy.

This, in turn, was a reaction to the dogged ton of non-nuclear power America and Russia were during the endeavour to nuclear proliferation in an exasperating slowness of negotiations to slow do arms race.

Only yesterday, the between determination obduracy threatened to the conference even of resolution. This was a reaction to the dogged ton of non-nuclear power America and Russia were during the endeavour to nuclear proliferation in an exasperating slowness of negotiations to slow do arms race.

Yet it would be over-optimistic to expect a failure because it did not perhaps naively his rations of some participants. It has demonstrated, kingling how deeply a r of countries abhor weapons, actual or pote put the primary respo for creating a new national disarmament squarely on the United and the Soviet Union.

More pragmatically strongly supported the by the Inter-International Atomic Agency (IAEA) of nuclear safeguards for installations, with the of the cost involved the industrialized nation

It also recommended preference be given to parties—and with accession this week, th now 94—in aid for power programmes, as posed that the IAEA sh the "appropriate inter body" which this year will reach 600m. The biggest The Social Democrats als chosen slower economic as an anti-inflationary: The Anti-Communists ruled Sweden, usually minority government, 1 years.

Earlier this week Social cratic leaders discussed to call special election autumn. Mr Palme was fear that the lottery would be used to decide economic issues.

The dividing line between blocks has been the future economic course opposition, with sup-Swedish industry, has det strong economic stimuli would be domestication and ward off recession.

The Palme Government, committed to an economic which implied a reduced balance of payments which this year will reach 600m. The biggest The Social Democrats als chosen slower economic as an anti-inflationary: The Anti-Communists ruled Sweden, usually minority government, 1 years.

Details of the reported agreement were not disclosed.

## Eight killed in bus crash

Burgos, Spain, May 30.—Eight people were killed seven injured in a collision between a bus and a truck which burst into flames here today, police said.

The dead included the driver and his assistant, bus passengers were Portuguese workers returning from Switzerland and France.

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# EUROPE AND OVERSEAS

## Designer of Russian Concorde shows US interest

They need speed and the Tupolev, the designer of the Russian Concorde, said, with a maximum flight time of three hours. When they went into service, flights which now took five hours would be reduced to two hours.

The designer was asked how much was the investment in the development of the supersonic aircraft, bearing in mind that the figure for the Anglo-French Concorde was about £100m. A faint smile crossed his otherwise impassive face. "Let us say that there is no problem about money."

The British aircraft manufacturer, Siddeley, is promoting at the air show a plan for a new version of the Trident fighter. Instead of its traditional three Rolls-Royce Spey engines, it will be fitted with two new quiet engines being developed by a consortium, and coded the I-1180.

Paris, May 30.—President Giscard d'Estaing today made a last ditch effort to influence his European partners into buying a French-made jet fighter instead of an American aircraft. He told journalists at the air show that if the Europeans bought the American aircraft "I would have serious doubts about the European capacity to build a united Europe. The arms race is not a matter of national interest as much as a test of the will of certain European political officials... to undertake joint cooperation."—AP.

## or envoy back to un after arrest

lay 30.—A British spokesman announced today that a junior diplomat being sent home today by police on the European Cup.

spokesman gave no details of the action, but the man came after a race-Scot yesterday at an Embassy office, throwing a newspaper at the shop window.

spokesman said, "It is a junior member of the staff who was briefly detained in the night of May 29. He was brought back to the Embassy and released. He is now being sent home to his family." (Sir Edward Tomlinson, the young man, is to return to his family.)

spokesman declined to say whether the action would be taken in London.

May 30.—Sixteen supporters were taken away early today on a window smash, but were later released after charges, the spokesman said. All 16 were taken to court today.

spokesman said, "The 16 arrests first reported since the Leeds United football team's European Cup match against Bayern Munich—Reuters.



Peasant women tilling an opium poppy field in Turkey. Licensed opium farmers planted 50,000 acres this year.

## Pretoria cuts finance for Christian Institute

From Michael Knipe Cape Town, May 30

The South African Government took action today to cripple the anti-apartheid Christian Institute, cutting off its financial support from abroad. Existing funds received from abroad are to be frozen at 500,000 rand (£300,000).

The institute disputes this figure, putting it at about 200,000 rand, and says that about 75 per cent came from foreign churches.

The National Union of South African Students (Nusas) was declared an affected organization last year after a report on its allegedly subversive activities by the same commission.

Protests against the commission's McCarthy-like report are continuing from anti-apartheid quarters. The Roman Catholic board of bishops has given warning that the commission's report could affect southern Africa's détente, saying that without radical change in South Africa no détente was possible, "only violence."

However, agreement with the commission's findings has been expressed by Dr J. D. Vorster, in a diverging spirit of any capital with a foreign source. In future it would operate on minimal funds and would make a concentrated effort to gain funds from local sources to meet its staff salaries for the end of June.

We see this action by the Government as a challenge to all Christians, indeed to all citizens of our country to prove by their reactions to what degree they regard the work and witness of the Christian Institute to be of such significance that it needs to continue."

The institute supports various community development programmes throughout the country aimed at improving the lot of the poor.

## Americans say U2 was not shot down

Ramstein, West Germany, May 30.—The American Lockheed U2 reconnaissance aircraft that crashed 85 miles from the East German border yesterday was definitely not shot down, a United States Air Force headquarters spokesman said today.

At the same time the West German Defence Ministry denied the U2 was a "spy plane" and said it had been modified to fly at an altitude in accordance with the usual practice.

The forest near the ski resort of Winterberg where the aircraft came down in a clearing remained cordoned off to press and public about a mile away while investigators went into the cause of the crash.

The pilot, Captain Robert Pennington, who ejected before the aircraft hit the ground and landed unharmed by parachute, has been discharged from hospital.

In Washington a Defence Department spokesman said the electronic equipment being tested by the machine could be used for guiding aircraft, missile-launching submarines and other weapons. He said the tests had the full approval of the NATO allies and would continue.

Meanwhile, the Air Force refused to comment on press speculation that the aircraft was trying out an airborne missile guidance system which could see round the curvature of the earth.—Reuters.

## son call for Spanish democracy

y Stanhope May 30

would be whole in favour of Spain North Atlantic ally after Franco's death. This message which Mr de la Sota heads of the summit meeting.

Spain's internal situation had to meet the not only of last year's election but of those of the North Atlantic.

Minister welcomed of last year in Portugal and the principle and social progress these had furthered.

But he added, with obvious reference to Portugal, that he hoped the same principles would now be reaffirmed.

The Prime Minister's intervention at the Nato summit, called after a British initiative, was a wide-ranging speech encompassing economic problems in the West as well as the state of East-West relations and the general condition of Nato.

The American reassurances of their commitment to the alliance were unnecessary. United States solidarity had never really been in doubt. But he continued, "It is in good having credible economic framework upon which we all depend lies in ruins."

He referred specifically to the

## Anguilla will have more independence

By Our Diplomatic Correspondent

Anguilla is to have a new constitution giving it a greater degree of independence from St Christopher-Nevis.

Announcing this yesterday, the Foreign Office said that while a greater degree of authority would be granted to Anguilla's elected representatives, it would fall short of formal separation from the other islands.

The arrangement is regarded in London as the best kind of compromise available in the circumstances.

They desire that through concerted efforts there should emerge an international order which reflects the political, economic and social realities of our time.

The allies are resolved to co-operate with the other members of the international community on global problems such as those of population, food, energy, materials and the environment. The wellbeing of mankind depends on success in these common tasks.

7.—The allied leaders meeting in council recall that the future of democracy and freedom throughout the world is closely linked to the future of those countries whose common heritage embraces these ideals and where they enjoy the widest popular support.

With this in mind, they unanimously affirm that they will enhance the effectiveness and vitality of their association within the framework of the North Atlantic Treaty, which is fundamental not only to the security of the allied nations but also to the preservation of the values to which they are deeply attached.—Reuters.

## text of the Nato summit communiqué

May 30.—Following the end of the Nato summit, the communiqué of the summit was released.

North Atlantic Council meets on May 29 and 30, the participation of the allies and government.

result of their review since the Ottawa summit in 1974, the relations in Brussels last year, leaders are strengthened to solve to preserve the of the alliance.

where, impeded, by issues which disturb it. They reaffirm that the purpose of the alliance is to safeguard the peace and security of its and to make possible the a lasting structure of

problems confront the the armed forces of the act continue to grow in beyond any apparent

defensive needs. At the same time, the mainstay of the defence effort at a satisfactory level encounters new difficulties arising from the worldwide economic situation. The allies are resolved to face such challenges together and with determination.

The collective security provided by the alliance, on the basis of a credible capacity to deter and defend, is a stabilizing factor, beneficial to international relations as a whole and indeed an essential condition of peace and security.

They owe it, not only to themselves but to the international community, to stand by the principles and the spirit of solidarity and mutual assistance which brought them together as allies. Accordingly the allies stress their commitment to the provisions of the North Atlantic Treaty, and in particular Article 5 which provides for common defence.

## Trial date for British woman after five years

Jamshedpur, India, May 30.—The trial of Mary Tyler, a British schoolteacher, and 34 alleged Maoist revolutionaries arrested with her five years ago has been set for Monday.

They were arrested near a guerrilla raid on a police station. They are charged with illegal possession of arms, sedition, treason and attempting to wage war against the Indian Government.

At today's pre-trial hearing the group shouted Maoist slogans and: "Charu Majumdar, the name of the dead leader of the left-wing Naxalite guerrillas who appeared in West Bengal in 1967."

Miss Tyler, who is 32, and comes from Hampstead, has refused a separate trial from the others. She now wears Indian dress and has said in press interviews from jail that she is married to another of the group, though the authorities have not recognized this.

British officials have followed the case closely, and Mr John Perrot, Second Secretary at the British High Commission in Calcutta, was present at the hearing.

The trial has been put off four times before, largely because the prosecution wanted separate trials for the different charges.—Reuters.

Our Foreign Staff writes: Last September Amnesty International said that up to 20,000 alleged Naxalites were being held without trial in West Bengal. The Indian Government described this as "an exercise in wild imagination". It said 592 suspected Naxalites were being held without trial under the preventive detention laws.

## Amin plea to Zaire rebels to free hostages

From Our Correspondent Nairobi, May 30

President Amin of Uganda today appealed to the Zaire rebel group, the Popular Revolutionary Party, to free two American students and a Dutch woman who were kidnapped from a wildlife research camp in Tanzania early last week.

In a statement in Kampala, General Amin said if the abductors feared for their own safety they could bring the hostages to Uganda and free them there.

The hostages were taken across Lake Tanganyika by boat after being kidnapped from the camp where Miss Jane Goodall, the British anthropologist, has been studying chimpanzees for several years.

## Mr Stonehouse 'proposes to leave tomorrow'

From Our Correspondent Melbourne, May 30

Mr John Stonehouse, the runaway British MP, said in a television interview tonight that he proposed to leave Australia on Sunday for London.

He would do so if the Australian and British Governments withdrew extradition proceedings against him.

So far as he was concerned, Scotland Yard detectives could travel on the same aircraft if they wished, and he was quite sure there would be plenty of police at any airports he arrived at on his way to London to ensure he continued his journey.

Mr Stonehouse said the position that he had been named by the British authorities to appear before Parliament to explain his conduct.

## Accused Israeli Arab girl denies confession

From Our Own Correspondent Jerusalem, May 30

Miss Muzna Nicola, the Israeli Arab health visitor from Hertfordshire, will plead not guilty in Haifa on Sunday to charges of being a member of Al Fatah, rendering services to it as an unlawful organization, and gathering and conveying information with the aim of harming Israel's security.

She has told her lawyer, Mrs Felicia Langer, that she intends to repudiate the confession she is alleged to have made in March, soon after being taken straight to prison from an aircraft from London before she was allowed to see a lawyer.

The defence will claim that it was obtained unlawfully by "inducements and threats"—lack of sleep, psychological pressure and use of "uncomfortable positions" during interrogation. It does not claim that Miss Nicola was beaten by her interrogators.

Miss Muzna Kaman Nicola, who had lived in Britain since 1968 and had been employed by Hertfordshire County Council as a health visitor since 1970, was on a visit to her parents when she was arrested at the airport. It is understood the prosecution will base its case on alleged contacts made by Miss Nicola during previous visits to Israel in 1970 and 1971.

Before the hearing of the three charges against her it is expected that a hearing will be held in the Haifa district court on the validity of the alleged confession. This is a regular occurrence in security cases and in nearly all past cases the confessions have been accepted in evidence.

As an Israeli Arab subject to Israel law, Miss Nicola will be tried in a civil court of three judges. Arabs from the West Bank and Gaza, which are occupied territories, are tried by military tribunals under emergency regulations.

Her fiancé, Mr Ricky Lomaz, aged 30, a British social worker, was due to arrive in Israel early today to give evidence for the defence. Amnesty International is understood to be sending an observer to the trial.

## President Sadat in Austria for peace talks

Vienna, May 30.—President Sadat, of Egypt, came to Austria today on a two-day state visit which culminates in Middle East peace talks with President Ford in Salzburg on Sunday and Monday.

It was President Sadat's first trip to Austria. The first part of it was a two-day state visit to Vienna and talks with Dr Bruno Kreisky, the Chancellor, and President Kirchschlager on the Middle East crisis and bilateral relations.

Mr Sadat is flying to Salzburg tomorrow for three rounds of official talks with President Ford. The aim of their meeting, the first between the two leaders, is to try to answer the question: What next in Middle East peace-making?

## Vietnam unification 'five years away'

Saigon, May 30.—North and South Vietnamese officials have ended three weeks of top level meetings on the future of this nation and have agreed that political reunification is at least five years away. Government sources said yesterday.

The meeting produced total agreement on all important points of discussion, including making Saigon a "free market" city while introducing socialism to the rest of the nation, the sources said (according to a delayed dispatch from Saigon).

They said most senior North Vietnamese officials now have returned to Hanoi after intensive technical meetings on matters ranging from culture to South Vietnamese elections.

On the sensitive matter of reunification, the leaders of the two parts of Vietnam agreed North and South would have to remain split for at least five years.

"The attitudes of the people, the manner of life in the two zones is completely different now and it will take some years to bring them close enough to reunify the country," said one senior official.

There was agreement that elections for a South Vietnam National Assembly should be held as soon as security conditions permitted. It could not be learnt how free the elections would be.

In Vietnamese Americans were allowed to fly three plane loads of personal property out of the country as the United States presence in Laos, which once numbered thousands, sank to 153 Government employees and dependants.

Earlier the Laotian Government had impeded the removal, claiming some of the items had been purchased out of American aid funds that should have gone to Laos and therefore should not be allowed to leave the country.—UPI and AP.

## Onions and peas being grown on Salyut flight

Moscow, May 30.—Two Soviet cosmonauts started growing onions and peas 210 miles above Earth today, their fifth working day on board the Salyut 4 space station.

Tass said the flight commander, Lieutenant-Colonel Pyotr Klimuk, aged 33, and the civilian engineer, Mr Vitaly Evasyanov, aged 40, are in good health and the space laboratory is functioning normally. They have also started experiments with insects, the agency said.

In addition to their "gardening" tasks, the cosmonauts tested various service systems and tuned up scientific equipment for research. "There is a lot of work to be done," an expert said, suggesting the two men may be in for a long stay in space.—UPI.

## Turkey rejects ruling on human rights

Strasbourg this week, representatives of the Turkish Government rejected the allegations. The Commission's decision on admissibility is not concerned with the merits of the case. It will be published later and will summarize the parties' arguments and state the reasons for its decision.

Ankara, May 30.—Turkey today rejected the Commission's ruling. The Foreign Ministry said Turkey did not recognize Archbishop Makarios's Government and believed it was not qualified to lodge complaints with the Commission.—Reuters.

## Uganda rejects appeal to release Briton

From Our Correspondent Nairobi, May 30

Uganda today rejected a British Note seeking the release of Mr Dennis Cecil Hills, aged 61, a lecturer, who is to face a military tribunal in Kampala on charges of sedition and spying.

Mr James Hennessy, the acting British High Commissioner, told the Uganda Foreign Minister that in Britain's view it was wrong to charge Mr Hills before the tribunal as he had already appeared before a magistrate, who dismissed the sedition charge.

## New battles in Beirut bring toll to 113

Beirut, May 30.—Renewed fighting broke out across the centre of strife-torn Beirut today as security forces battled with snipers in an attempt to end 10 days of warfare between Lebanese Phalangists and Palestinian guerrillas.

The fighting brought the casualty toll for the present spate of clashes to at least 113 dead and nearly 300 wounded, according to police estimates.

Witnesses said heavy shooting broke out in the centre of Beirut's commercial district in the afternoon, touched off by the death of a motorist who tried to evade a civilian road block.

Another battle was being fought in Riad Solh Square near by, the city's main market and meeting place, where security forces exchanged fire with snipers.

The fighting disrupted international communications as workers were evacuated from the central post office building just off the square.

An operator reached by telephone said he was rejecting requests for overseas calls because there were not enough workers left in the building to handle them.

Fighting also broke out in Debbes Square. Pedestrians fled and shops hastily shuttered their windows as the first shot was fired.

Armed men tonight erected barriers across the northern approaches to the port of Sidon, south of Beirut. Reports in the town said that the road had been blocked farther north by other armed men.

Later, leftist gunmen stopped the car of Mr Camille Chamoun, former President of Lebanon, outside Beirut and abducted three of his aides.

The incident could cause serious trouble unless the aides are freed quickly, because of the resentment it is likely to incite among Mr Chamoun's large right-wing Christian following.—UPI and Reuters.

## In brief

**Leningrad allows art show**  
Moscow, May 30.—Artists in Leningrad, who are in conflict with official art policy, have been offered a covered hall to hold an exhibition of paintings in September, a spokesman said. The police took action last Sunday against a group of artists who wanted to display their work in a Leningrad park. There was an international outcry last year when a Moscow open-air show was broken up.

**Minister stands down**  
Melbourne, May 30.—Mr Lance Barnard, Australian Minister for Defence, announced tonight that he would not contest his seat in the House of Representatives at the next election.

**Salt talks resumption**  
Moscow, May 30.—The United States and the Soviet Union are to resume the strategic arms limitation talks (Salt) in Geneva on June 23 after a seven-week recess, Tass said today.

**TV head reinstated**  
ANKARA, May 30.—The High Court today reinstated Mr Ismail Cem Ipekci, head of Turkish radio and television, who was dismissed by the Government two weeks ago.

**Morocco town blast**  
Mellilla, May 30.—Eleven people were injured early today in two bomb explosions in the town centre in this tiny Spanish enclave on Morocco's Mediterranean coast.



A short story by  
Paul Theroux

# The odd-job man

surprised by the stubborn, conscientious way the odd-job man worked with his pencil, and when Ralph said, "I think that's worth a beer, don't you?" Bloodworth dumped enough change on the counter for three pints.

house was not signposted, nor did it have a name. It was a converted farmhouse at the end of a close lane, set amid crumbling farm buildings, a roofless barn, broken sheds and fences with no gates. They were met at the front door by a woman of about thirty with a white suspicious face.

tered table. On the table were papers, unopened letters, a stack of books, a wine bottle, a glass and the electric shaver with its flex exposed.

"Lowell's a writer", said Shelley.

"Robert Lowell?" said Bloodworth.

"No-me", said Bloodworth. "I do a little teaching on the side to pay the grocery bill that sort of thing. Well, I mentioned my Parsons edition in morning. I like to present poet, get him an audier. Some people call it critici but I think of it as preser- tion. And"—Bloodworth bl- length of plastic from one the wires—"I do quite a bit reviewing."

"You don't say", said Bloodworth.

Bloodworth saw he had roused him. He took a beer. "I've even done some review of your work."

"That's funny", said Bloodworth, turning from the plug. "I don't re- your name."

"It wasn't signed. Actu- it was for the TLS, so could hardly be expected."

"The TLS? Was it about year ago, that review Hooked?"

Bloodworth did not hesi- He stuck the last wire into plug and said, "Yup."

Bellamy struggled to his i and snatched the plug out Bloodworth's hands. weighed it like a grenad Bloodworth thought he mi throw it—and said fierc "Get out of here this mi and take your wife with Doris!" (She stood in doorway, a wineglass in e hand). "See these people You, sir", he said to Bl worth, "are overertain to point of libel, and if the one thing I will not stand— Bloodworth did not wait hear what it was, Bellamy

Continued on page



Illustration by Janet Woodley

Every spring, on the first free day after exams, Lowell Bloodworth and his wife Shelley drove to Boston from Amherst and then flew to London. He told people he was seeing his publisher. But he had no publisher. The London visits had begun when, as an associate professor, Bloodworth was working on his edition of *The Family Letters of Wilbur Parsons*. He had brought a box of the letters, rented a room near Sloane Square and stuck them into a thick album, working by the window with a brush and a bottle of glue; he added footnotes in ink and gave each personal observation a crimson exclamation mark. English academics mocked his enterprise. He would not be drawn, but Shelley said, "It's not easy editing the letters of a living poet." English academics said they had never heard of Parsons. Bloodworth had a reply: "The only difference between Wallace Stevens and Wilbur Parsons is that Stevens was vice-president of an insurance company and Parsons was president—still is."

"Why is it," an Englishman once said to him, "American academics are forever putting their fingers down their throats and bringing up books like these?" Bloodworth had thought of asking that man to help him find an English publisher. It struck Bloodworth as odd that the mere mention of his book caused shouts of laughter in London. Especially odd, since this book, brought out in America after several delays by a university press, got Lowell Bloodworth the tenure he wanted, and now he was earning thirty thousand dollars a year. But it was the salary that embarrassed him, not the book. There was an additional bonus: the *Times Literary Supplement* gave him one of Parsons' collections to review, and three months afterward Bloodworth said, "I do a little writing for the TLS", often claiming credit for anonymous reviews he admired.

He liked London, but his links with the life of the city tended to be imaginary. There was that huge party at William Empson's. Bloodworth had gone with one of Mr Empson's former students (who, as it turned out, had not been invited either). Bloodworth talked the whole evening to an elderly man who told malicious stories against Edith Sitwell. The stories became Bloodworth's own, and later describing that summer to his Amherst colleagues he said, "We spent quite a bit of time with the Empsons—appropriated gossip and gave it the length of anecdote. One summer he saw Frank Kermode across a room. In the autumn, for a colleague, he turned this glimpse into a meeting."

Nine summers, nine autumns, had been spent this way; and always Bloodworth regretted that he had so little to show after such long flights. He craved something substantial: a literary friend, an eminent friend, a famous enemy. Inevitably his rivalries were departmental; the department had grown, and for the past few years Bloodworth's younger colleagues, all of whom flew to England in June, had come back with similar stories. In the warm early-autumn afternoons they would meet at Bloodworth's "Little Britain", on the Shutebury Road: the wives in Liberty prints swapping play titles, the children jerking at Hamley's toys, and the men discussing London as if it were no larger or more unappetizing than Amherst itself. "Leaving is looking a lot older—" "We saw Iris Murdoch in Selfridges—" "Cal's divorce is coming through—" This last remark from Spinks, a preposterous anecdote. Bloodworth suspected were nimble parodies of his own: lately, Bloodworth had felt (the word was Parsons') outgunned.

This was the first year the Bloodworths had spent their English vacation outside London. They were flushed from Sloane Square by the department. On their second day in London they met Cliff Murtagh on Port Street. He had a story about Angus Wilson. That afternoon, they bumped into Sigans at the Byron Exhibition. Bloodworth said he was just leaving. The next day he had gone back to the Byron Exhibition and seen Arvin Pritzman there was just not escaping them. He ran into Milburn at the Stoppard play and Shelley had seen the Hoffenbergs at Biba's. Each encounter was alarming, producing a keen embarrassment. Bloodworth disguised unwillingly in heartiness. The prospect of a summer of these chance meetings made Bloodworth cringe, and so, at the end of their first week, the Bloodworths took a train to the village of Hooke, in Kent, where they rented a small cottage ("Batcombe") for the remainder of their vacation.

It was not a coincidence that a mile from this village was

the house of the American poet, Walter Van Bellamy, who had been living in England since the war. Bellamy was an irascible man of about 70, who had known both Pound and Eliot—and been praised by them—and who (though the airfare to New York was less than his well publicized telephone bill) described himself as an exile. Bloodworth was not the first American to get the idea of going to Hooke with the intention of making Walter Van Bellamy's acquaintance; there had been others—poets, PhD candidates, anthropologists—but invariably they were turned away. Out of spite they reported how they had found Bellamy drunk. The more Bellamy protected his privacy, the more scandalous the stories became.

Bloodworth, who gave a Bellamy seminar, was anxious to verify the stories. He had often talked to Wilbur Parsons about Bellamy's influence. Parsons acknowledged the fact that Bellamy was the greater poet; but they had, Parsons said, been good friends and had once dated the same Radcliffe girl. Now, Bloodworth's ambition went beyond verifying the scandalous stories or even meeting the man. He had in mind an edition of poems that would be different from anything scholarship had so far produced. This book—"Presented by Lowell Bloodworth"—would consist of poems in Bellamy's hand, photographs of work-sheets and fair copies, discovered drafts, inky lyrics, all of them nobly scrawled instead of diminished by the regularity of typewriters. It would be a collector's item: Introduction by Bloodworth. Notes by Bloodworth—the sort of book got up to honour a dead poet's memory, an exhibit showing crossed out lines, senseless, hasty errors in the poet's own handwriting. Bloodworth's sections, of course, would be printed in *Times Roman*. In his mind the book became such a finished thing that when he remembered he had never met the man he grew nervous to see samples of his handwriting.

"I've seen him", Shelley said, several days after their arrival in Hooke. It was at the off-licence. Bellamy (confirming scandal) was buying an enormous bottle of gin. The man behind the counter had said: "Will that be all, Mister Bellamy?" and Bellamy had grunted and gone away in a car. Shelley described Bellamy closely: the hair, the walking stick, the green sweater, the car, even the brand of gin. Bloodworth was excited. The next morning he saw the car parked near the village's cricket ground, and on the grass Bellamy was throwing a mangled ball to his dog to fetch.

"There are people", said Bloodworth, "who'd risk losing tenure to be right here at this moment."

The poet shambled after his dog.

"Say something", said Shelley.

"This is an historic moment", said Bloodworth. He added: "I mean, in my life."

"No, say something to him."

But Bellamy was headed in the opposite direction, flinging the ball.

"Rain", said Shelley, looking up. She spread her palms to the sky. There was a sound of lightning from the underside of a black cloud.

Bloodworth shook out the umbrella he habitually carried in England. He said: "Bellamy doesn't have one."

The poet seemed not to notice the rain. He tramped slowly, circled by the excited dog. For a moment Bloodworth imagined Walter Van Bellamy, the American poet, struck by lightning, and killed instantly while he watched from the boundary of the field. He drew grim cheer from the reflection and saw the thunderbolt's jagged arrow enter Bellamy's head, saw the poet stagger and himself sprinting across the cricket pitch, then kneeling: critic administering the kiss of life to post. Bellamy's death would make an attractive article, but if Bloodworth managed to bring him back to life the poet would be grateful, and it was a short distance from life-saver to literary executor—indeed, they were much the same.

The sun broke through the sacking of clouds, and it was then in the barely-perceptible







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# Scotching a few referendum myths while waiting for Mr Macmillan

George Hutchinson

What many people object to in the referendum campaign is not the European policy which Mr Wilson and most of his ministers are asking them to endorse but some of the arguments, often no more than slogans, brought out in its support.

One of them, as I was suggesting last Saturday, is the allegation that a vote for withdrawal would be a vote for communism. The charge is still being made as if it were a self-evident and inescapable truth applying to communists and non-communists alike, so that the latter are represented as dupes or fellow-travellers, when they are known to include public-spirited and patriotic citizens of every political persuasion. Mistaken they may be—but it does the European cause no service to slander and defame them.

Sitting at my window the other night, looking across the Strait of Dover, glittering under a full moon, with half a

dozen Channel ferries passing in both directions, I was reminded of another sentiment put forward by the British in Europe movement: "We need not risk being alone and isolated."

"Alone and isolated" less than 20 miles from the French coast? "Alone and isolated" in spite of our immemorial place in European culture and commerce? "Alone and isolated" when London has one of the busiest airports in the world, and the vast apparatus of the City touches every part of the financial universe?

Alone and isolated? We belong to the North Atlantic alliance and to every international institution of importance to the west? "Alone and isolated" when our language is spoken in every hemisphere and much of the world still looks to us for moral leadership?

While we might lose by leaving the EEC we would not be "alone and isolated". The sug-

gestion is extravagant and mawkish, not to say hysterical.

No good can come of doom-laden, alarmist exaggeration, and it would be as well to keep that thought in mind, just in case we should find ourselves voted out of the Community. No vote can be taken for granted in a free society, and—however improbable it may seem—the Government's policy could still be overturned.

No one can deny that if this were to happen every sort of complication—parliamentary, diplomatic, legal and commercial—would ensue. There might well be a constitutional dilemma of a character previously unknown in Britain if Mr Wilson failed to carry the legislation that secession would entail.

To acknowledge all this, however, is not the same thing as surrendering to the fear of instant ruin. Defeat is a possibility which the "Europeans" should be able to recognize without losing all sense of proportion and foretelling national destruction.

Prediction may be a shade imprudent so near the event, but I foresee a very large number of abstentions on Thursday far more than the "Europeans" have bargained for. Not all will be due to apathy or indifference. Many, as I have gathered in recent days, will be what one might call "thoughtful" abstainers. The "thoughtful" abstainers are likely to offer two reasons for their decision. The first is genuine uncertainty as to which is the better course for

Britain. The second is that no one need feel morally obliged to vote in a referendum which in origin owes more to Labour's internal divisions than to the national interest.

The former may be said to reflect a failure of advocacy on both sides of the debate, the latter a repudiation of Mr Wilson's stratagem.

Meanwhile we await the last (or the first) great speech of the pro-European campaign. It is due on Monday night from the old architect himself, Mr Harold Macmillan, speaking in Mr Julian Amery's constituency at Brighton.

Thirteen years ago, as Prime Minister, Mr Macmillan inspired a new level of enthusiasm for his European policy by a celebrated speech at Stockton-on-Tees, which was his own constituency before and during the war. None of us who heard it is likely to forget the occasion. This was one of the truly compelling speeches of modern politics. It

contributed more to popular understanding of his policy than any other, before or since. It has never been surpassed.

On a minor but not trivial aspect of European cooperation, I might add that the crews of the Channel ferries—British, French and Belgian alike—should be compelled to stop dumping their rubbish overboard.

As I write, the beach outside, set in a beautiful stretch of coastline, is again littered with plastic cups and suchlike, all from the Dover, Ostend and Calais boats. There was supposed to be an agreement to end this pollution. It should now be enforced.

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## How Sotheby's brought the rich back to Monte Carlo

The financial value of a work of art lies not to much in the object itself but in the minds of those who covet it. Thus the matter of presentation is always crucial to successful sales; the right vibrations and associations must be awoken in the minds of those rich enough to afford your price. Duveen did it with velvet curtains, drawn back at the climax of his presentation to reveal the masterpiece. The London auction rooms take the opposite route, presenting their goods in a scruffy jumble from which a major work shines out at you as if it were your own discovery.

In this matter of presentation Sotheby's first three-session sale in Monte Carlo last week was a consummate piece of theatre. Their sights were primarily set on selling to the very rich who generally prefer the Duveen type of presentation with lush backdrops; London's jumble sale look is more appealing to the psyche of dealers who account for the bulk of purchases in London sales.

The first problem in a theatrical presentation of this sort is to ensure you get the right audience. You might think that Monte Carlo is just the place to find it but even Monte has its problems. A riot of property development has made it an eyesore and the rich have been gradually deserting it; it was presumably with this problem in mind that Prince Rainier approached Sotheby's with the idea of holding sales there.

### A perfect solution

In France auctioneering belongs to the public sector so Sotheby's have never been able to gain a foothold; the special dispensations of the principality of Monaco offered a perfect solution. The Paris auctioneers and dealers were, incidentally, infuriated and did their best to talk down the Monaco sale.

The commission to sell the superb contents of the Baron de Redé's apartments in the seventeenth-century Palais Lambert on the Ile Saint-Louis in Paris, together with a few possessions of his friends, the Baron Guy and Baroness Marie-Hélène de Rothschild, provided the perfect bait to tempt the very rich to Monte Carlo. Items from the collections of well-known millionaire connoisseurs can be relied on to excite a favourable vibration in the minds of potential purchasers.

The Baron de Redé was long the finest art collector and friend of the Chilean millionaire Arturo Lopez Willschaw, also a collector of high standing—there were several of his pieces in the sale—and inherited his fortune. After the last war de Redé took over the main apartments of the Palais Lambert—one of the finest *hôtels particuliers* of Paris with decorations by Le Vau, Le Brun and Le Sueur—restored and furnished them at a reputed cost of over £2m. The house has now been bought by his friends the Rothschilds and he is moving to a small flat at the top of it.

Meanwhile, the Rothschilds are in the process of handing over the Château de Ferrières to the French State and found this a useful moment to dispose of some furniture and objects from the collection. Thus the sale reflected the tastes of three great connoisseurs, de Redé, Lopez Willschaw and the Rothschilds—actually the Rothschilds had mainly been acquired by the nineteenth-century collector Baron Alphonse.

The sale which was organized in association with the Société des Bains de Mer was held in the *Sporting d'Hiver*, a remarkable Art Deco palace on the Place du Casino. The items were placed on view in a vast pillared and gilded hall where the show cases and furniture succeeded in looking very grand indeed. Prince Rainier, of course, came to look; the Baron de Redé was frequently there accompanied by his dachshund, the *Niarchos* yacht was anchored in the harbour and his henchmen were much in evidence, so was the *Lower Guinness* yacht. Norton Simon arrived

with a group of supporters. Financial prices which did attend sent their delegates. The same hall was used for the sale in spite of its size competition for tickets was keen. A small adjunction, smothered in gilt balconies and nymphaea, can be used as a secondary room. The sales were held 10 pm on Sunday and 4 and 10 pm on Monday, the evening sessions the best arrived in full evening dress in diamonds.

At this point Mr Peterson, Sotheby's chair switched from director of sales to leading performer, the second lead (a strong porting part) was M. J. Quest, a local *huissier* or notary. While Mr Wilson permitted to conduct the sale, it was apparently a pity that the hammer, at should be in the hands of a local auctioneer. This was in a crazy mix of French style auctioneering. Mr Wilson was conducting the bidding in French but voice was moderated to a level which his speed left illustrious clients time to up their minds. Not a word of French was heard. He shouted the bids, the speed leaving buyers in no doubt that the hammer would fall in his second if they did not show their hands.

There was some doubt whether the two auctions were taking the same bids the hammer frequently advanced of itself, and the ding had to be repeated the first of Mr Wilson's little hesitant with the numbers but by the second determination to restrain Marquet led to a fluent, with one charming hesitation as to whether he could have reached a million.

The bidders usually gained confidence. The commission had clearly been accounting about reserves and the mates were set on the side. Among the snuff t bonbonnières, walking handles and other gold jewelled objects of the first sale, only a sprinkling managed to rise substantially beyond estimated levels.

The silver proved a surprise with prices running beyond expectations. The silverware was in the second sale with the carved ivories; a valuable German turned jar and cover with balloon gading of the seventeenth century for £8,000 compared with an estimate of £2,000-£3,000. A second session also—some Renaissance jewels and other works of art where prices came out much as expected.

### Romping away

But in the last session devoted to furniture and furniture items, the prices rose away. A marvellous pair of Empire carved and gilded candelabra raised on legs reached £7,000 against an estimate of £1,200 to £1,800. Empire revolving chair with red with ormolu double estimate to reach £5,000. Even the items whose origin had been forbidden by the French Government managed to find their way to the possible purchasers. The great Roerich desk was on estimate at £7,000 and the Louvre had to be read from Fontaine compared with an estimate of £5,000.

The sale contained a dozen or perhaps two dozen items really marvellous quality, a collector would have to find elsewhere. But much the rest was not as of ordinary as the provenance catalogue and general pretension would have led one to believe. This is where Sotheby's theatre managed to achieve prices well beyond those of an ordinary auction.

Geraldine Norton  
Sale Room Correspondent

## Holy war that could alter the balance of world politics

A year ago this week fighting broke out at the railway station in Rabwah, a small Punjabi town, headquarters of the worldwide Ahmadiyya movement; within days, mob violence, the burning of property, and killing, had spread into many parts of Pakistan. Ahmadiyya Muslims were the principal victims.

Last September, the constitution of Pakistan was amended, to declare the Ahmadis a non-Muslim minority, just as the Christians, Hindus, and others. No longer can any Ahmadi hold senior government office, a significant exclusion since earlier both navy and air force chiefs of staff had been Ahmadis, together with the occupants of many other prominent posts.

Exposure to violent controversy is nothing new to Ahmadis. The movement derives from Ghulam Ahmad, who before his death in 1908 had furiously argued with orthodox Muslims. He declared non-Muslims to be "kafir", or infidels, and barred from high office was being pushed hard by their opponents in the 1930s, when Nehru signed his fingers supporting the movement; in 1953 fierce riots against the Ahmadis broke out in the Punjab, underlining the civil war and leading eventually to military government over all Pakistan.

### Not military but spiritual warfare...

Press reports of the excommunication of the Ahmadis explored the political implications fairly fully, but were sketchier and less reliable on the religious side. There are three main points: *jihad* or holy war, the second coming of Christ, and prophethood.

Ghulam Ahmad ruled that *jihad*, properly understood, is not military but spiritual warfare. In itself, this need not alarm orthodox sensitivity; meaning is always understood, and recognized that *jihad* may be waged also by tongue and pen, or even by a man wrestling inwardly with his own evil inclinations.

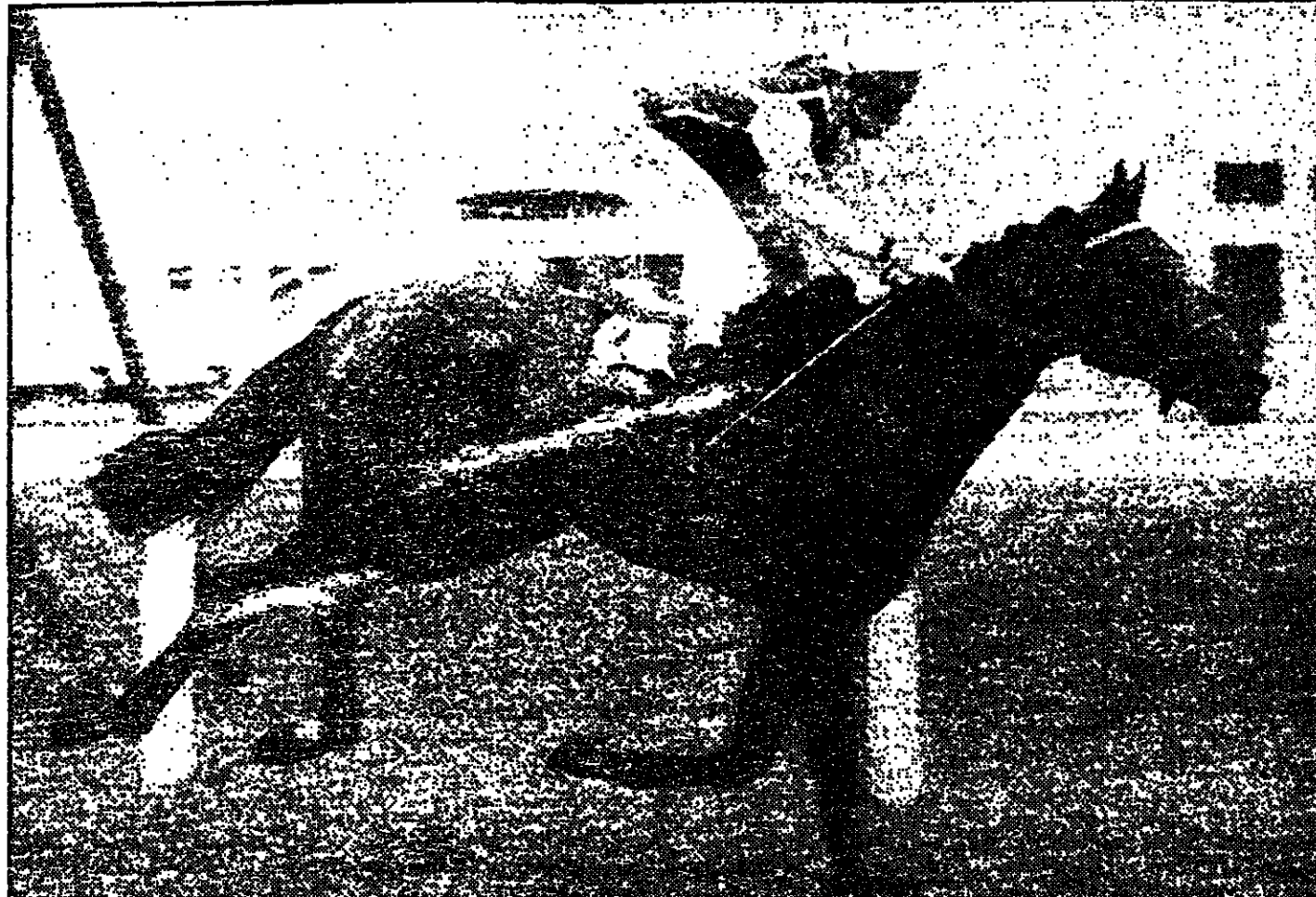
The Ahmadiyya interpretation, however, was first advanced during the British Raj, in the rather quiescent period after the Mutiny. Inevitably the orthodox suspected the Ahmadis and their peaceful doctrine as a fifth column, imperialist tool to defuse Muslim resistance to infidel overrule. Ahmadis indulged in imprudent religious romanticism over the British Empire, one of the more mysterious ways in which God moves.

The second main controversy concerns the Ahmadiyya view of Christ. The movement, born at a time when Christian missions seemed a significant challenge to Indian Islam, is essentially anti-Christian. Much Ahmadiyya apologetic comprises scurrilous attacks upon Christianity, Christianity and Christ. "We cannot even admit," wrote Ghulam Ahmad, "that Jesus, that such an evil-minded, overbearing man and enemy of the righteous could be called a gentleman, let alone a prophet."

The Ahmadiyya attitude to Christianity is not outright rejection, but a complex love-hate affair. Ghulam Ahmad claimed to be the Messiah, the second coming of Christ (expected by orthodox Muslims as by Christians), and to share all his perfections.

Much Ahmadiyya argument is based upon ingenious, sometimes unscrupulous, biblical exegesis. Ahmadis borrow heavily from Christian example. Thus the orthodox critic, condemning their insults to Christ, may almost simultaneously suspect the Ahmadis of being crypto-Christians.

The third, and major, scandal is the prophethood of Ghulam Ahmad. The orthodox accept no prophet after Muhammad. This Ahmadiyya presumption, even without the problems of *jihad* and apocalypse, condemns the movement. Ahmadis, of course, reject the condemnation: Ahmadiyya, they say, is not even a sect of Islam, it is the real Islam. Each side con-



Green Dancer with jockey Freddie Head: an Epsom winner?

## Will America dance away with the Derby?

Sportsview

In a changing world the Derby, first run in 1780, has held its position pretty well. Not everyone, though—certainly not all Frenchmen—would agree that it is still Europe's greatest race. That distinction is frequently claimed for the Prix de l'Arc de Triomphe which always attracts an international field of the highest class. Last year Allez France earned £128,363 when she won the "Arc"; Snow Knight £89,229 through his victory in the Derby.

Thanks to the tote monopoly existing in France and in particular to the success of the tiercé which compares in popularity to football pools in England, prize money in French racing is on a vastly superior level to that existing over here. Last year the French Derby was worth over £122,000 to the winner. When the Queen's High-church won the French Oaks, she collected over £33,000, whereas Polygammy got only £9,579 for winning the Oaks at Epsom. In France in 1974 the top trainer won over £500,000 in prize money; here the figure was about a fourth of that amount. If prize money in England approached the French standard, trainers could charge their owners a more realistic fee and pay their employees a more attractive wage.

A modern Derby winner is worth at least £250,000; the moment it passes the winning post. This is strange in a way as few Derby winners of the past 20 years have proved out-

standingly successful sires. Of post-war Derby winners Crepello now dead, has alone turned out to be an undisputed success and even he has failed to sire a Derby winner himself. Never Say Die deteriorated after a promising start and Sea Bird II, one of the most brilliant Derby winners of this century, died at the early age of 11, just when the superb Allez France was enhancing his reputation.

It is usually a sign that a sire has no quite made the grade when he is issued with a single ticket to Japan. This has been the fate of such post-war Derby winners as Pearl Diver, Nimble, Galador, Lavandin, Hard Ridden, Portia and Larspur, while the Love and Peidum ended up in Argentina. Pina, an outstanding Derby winner, proved a lamentable failure and so for Royal Palace, another really good horse, has been sadly disappointing.

The power of the dollar has enabled American breeders to purchase the best blood in Europe. That investment has paid a rich dividend and American-bred horses, after France and Britain being notable exceptions, have been racing today. The first American-bred Derby winner was Inoué in 1881. There was not another till Never Say Die in 1934. However, American-bred horses won in 1968, 1970, 1971 and 1972. Three of these winners—St. Iver, Nijinsky and Mill Reef—were horses of

superlative merit. The fourth, Roberto, was less good but enjoyed the distinction of being the sole conqueror of Brigadier Gerard.

Until recently it was reckoned advisable, when trying to pick the winner of the Derby, to select a horse sired by a stallion that had won or been placed in a top class race of a mile and a half or more. These American-bred winners have made that theory look outdated but if in certain cases their stamina was suspect, their class, speed and courage were indisputable.

No race in this country inspires such widespread wagering as the Derby. Compared with the few who own form books and think they understand pedigrees, there will be thousands quite happy to pin their faith to whatever horse Lester Piggott is riding.

Nowadays the emphasis on Derby Day is on the race itself. This was not always the case. In the last century it was a great national holiday. Parliament never set on Derby Day, a custom much deplored by sour-faced radicals. People went to Epsom to have a good time and if in certain cases how little they saw of the actual race. The Downs were converted into a gigantic fairground with merry-go-rounds, swing-boats, acrobats, clowns and performing animals. Barnum's Show occupied a large site between Tottenham Corner

and the winning post. Popular features year after year were three famous dwarfs, General Tom Thumb, Commodore Nutt and Minnie Warren, while up the course rode the venerable Cheapside clockmaker, Sir John Bennett on his cob, pausing at frequent intervals to refresh himself from a large flask and to drink amid cheers "the health of the people". After racing there were traffic jams of unbelievable dimensions.

This year's race (on Wednesday) is international in character. A hot favourite is M. J. Wertheimer's Green Dancer, an American bred son of Nijinsky trained in France by Alec Head, a member of one of those Anglo-French families that have played such a distinguished part in French racing history. Alec's father, who only quite recently retired, rode the runner-up in the Grand National 36 years ago.

The most fancied English-trained runner, *Cravaty*, is owned by Dr Carlo Vittadini who won the Italian Derby last month with a colt by the Queen's Eclipse winner Canisbay. Other fancied competitors are Sea Break and Nuhatch from Ireland and the Japanese-owned Fision from France.

Green Dancer, already the winner of £20,000 this season, gives a distinct impression of having inherited some of the most desirable qualities of his distinguished sire. I think we must be reconciled to yet another resounding triumph for American blood in our greatest race.

Roger Mortimer

## The rise and cruel fall of the prairie populists

They were the American radicals of their time, yeoman farmers who faced exploitation and injustice only to be left behind by the tide of history

Many people find it hard to accept Mr Anthony Wedgwood Benn as a populist because of his noble and privileged background, but he is not the first man to step out of his class to lead such a political movement. What surprises me is that he has chosen populism as the career of William Jennings Bryan, the original American prairie populist, illustrates.

Those who know their American history may well ask what Mr Benn has in common with a man remembered for crusades against the evils of drink and his gargantuan appetite. For instance, it is recorded that during the 1900 presidential campaign he ate a breakfast of "an enormous melon, two quails, a formidable slice of ham with six eggs, butter cakes immersed in butter accompanied here and there with potatoes and small delicacies for side-dishes, all of which he washed down with innumerable cups of coffee with milk".

Gold speech at the Democratic national convention in 1896. The main issue at the convention was whether the party should yield to the demands of the populists to abandon the gold standard for the free money of silver. The speech was an impressive rhetorical exercise, and finished with the line: "You shall not pass down on the brow of shame this crown of thorns, you shall not crush mankind under a cross of gold."

Finally there was the famous "muck-rack" in Dayton in 1922. The "muck-rack" was a devastating attack on Bryan collapsed and died within the week. In a prepared speech which he did not have the opportunity to deliver, Bryan compared Scopes' trial with Pilate's court. "A bloody, brutal, doctrine—evolution—demands, as the rabble did 1,900 years ago, that He be crucified."

In retrospect Bryan was pathetic because he was a genuine populist. It was not a matter of believing in majority rule by a practical and reasonably fair method of government. Because all men were equal in the eyes of God,

he believed that all men were equally wise, equally just, and equally creative. As Walter Lippmann wrote: "The spiritual doctrine that all men will stand at last equal before the throne of God meant to him that all men are equally good, honest before the ballot box of Tennessee."

Also there were nothing of the kind. Bryan rejected original sin, his followers were human beings with all the usual weaknesses as well as strengths. They were yeoman farmers who saw themselves as the successors of Jackson and Lincoln, but were racially prejudiced.

They sought to improve their lot through inflation, which was what the Cross of Gold speech was all about. Earlier they or their fathers had disposed of the last Indian tribes with great violence and cruelty.

Yet reading their history one cannot but feel compassion. The prairie populists were exploited by the railroads, and sought unsuccessfully to nationalise them. The state legislatures were corrupt, and they demanded the referendum. But in spite of the injustice done to them, fundamentally they were resisting the inexorable development of the United States from a largely Anglo-Saxon Protestant agrarian nation to an industrial plural society.

They clung stubbornly to their beliefs as the world was moving towards the intellectual, scientific and industrial revolution which was to transform it as few other great movements had done before. The populists, the American radicals of their time, were to be left behind by the tide of history. They were rescued later, not by another Bryan but by Franklin Roosevelt and the great Democratic coalition

he forged on a basis of sensus. Darrow understood something. He was a rational man, lawyer who had defeated Eugene Debs and other American trade unionists. He believed in democracy and majority rule, but also knew that the individual had to be defended against the majority. He believed it could throw up leaders unknown to the state, not from its own inertia but from social progress, political and economic reform.

Darrow also sensed Bryan was corrupted by pessimism. For all his constant Christian faith, he was not a hard-core fundamentalist. He did not really believe that world was created in six days but when placed on show, Southern Baptists he had defended their beliefs according to the assumption of populism, they were wise, just and creative.

I suspect that modern pessimism is just as corrupting backward-looking, but it has yet to meet his Clarence Darrow.

Louis Her





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## IN, WE SHARE THE DECISIONS: OUT, THEY ARE MADE FOR US

imes is a committed European newspaper. We believe that the future of Britain properly lies in the development of a European Community and that the degree of economic and political unity. It does not that we believe in large zation for its own sake, at we recognize that cer- of the functions of the state can no longer be out by nations on their ut as we also believe that functions could best be out by devolution and on scale.

use we have this declared in Europe, and a great to see the development of pan Community in which individual nations really trust port each other, we have very concerned to make at the case of those who say no in the referendum mes. It has been, and will be, given its full share e in our news columns, in articles, and in letters. lieve, however, that there simple and conclusive at which the anti-ans have not been able to. It is an argument which he do as much force with he do not share our com- to the European idea those who do.

### It is

conceded by the great y of the no advocates that should continue to have trading relationship with ropan Community even side to withdraw. The eographical relationship is inevitable. It is for Britain to have a ade with Europe in the ay as it is natural for to have a large trade he United States. In a, world patterns of trade en changing and most s have proportionately d their local regional r quite ordinary econ- commercial reasons. fact is, therefore, that must be an important n trading partner. The t is how our trading ship is to be regulated. f those who advocate withdrawal from the n Community say that d like to negotiate free rea status for Britain, ble to the arrangement s European Community e Norway when the ans voted against enter- EEC. There must be doubts about whether

this would be available, or on what terms it would be available. It is, at any rate, clear that a British vote to withdraw from our Treaty obligations would cause considerable resentment among our EEC partners. Rightly so, for to go in and then come out again would be damag- ing and unreliable conduct. Let us assume, however, that the free trade relationship could be negotiated. We should then be in a position that we would have access to the European market, but we should have no influence on the decisions that were taken in respect of the market. Yet those decisions would affect our trade whatever the terms of the free trade agreement, and some of the decisions would be imposed as a condition of free trade status.

### Separate case

Many of the rules of the European Community are concerned with the prevention of unfair competition in conditions of free trade. This is quite inevitable. One cannot expect a French manufacturer of plastic mugs to agree to being put out of business because the Belgian plastic mug industry is being given special advantages by the Belgian Government. There must at least be a right to scrutinize such arrangements and to see that they do not confer an unfair or disproportionate advantage inside a free trade market.

This requirement is not dependent upon the character of the European Economic Community but upon the logic of free access for trade. Even Britain's anti-dumping legislation is based on the principle that free trade has to be fair trade, and that any nation has a right to protect itself against unfair competition either in a free trade situation or even in trade coming in over tariff barriers.

Some anti-Europeans advocate simultaneously a free trade area and a fortress economy, with import controls to protect British industry. Such a combination is most unlikely to be available. We would have to pay at least the same price for free trade outside as inside the EEC, and that price is one of free entry to our market. There is a separate case for the fortress economy, but it is one which falls down on the argument that a mature industrial power does not become more competitive by refusing to face competition.

If we withdraw from Europe we will therefore still have to pay the price of accepting EEC rules if we want free European trade. If we did still seek a free trade relationship in industrial goods, the terms of that free trade relationship would still be

set by the European Community; the difference would be that we should have no part in framing the regulations, but would have to accept them as the price of free entry.

This brings out the contrast between technical sovereignty and real independence. Inside the European Community there is a loss of technical sovereignty because certain regulations of the Community have the force of law in Britain, without having been passed by the British Parliament. Outside the Community we should be free to carry out or refuse to carry out the same regulations as British law, but the price of refusing to carry them would be that we should not be able to obtain or retain our free trade status. Parliament would have greater formal freedom, but less real ability to influence decisions of great importance to Britain.

Against this it is argued that the balance of trade is so favourable to the rest of the European Community that the remaining countries of the Community would have every incentive to maintain free trade. This is not a safe argument to rely on. The bargaining relationship between a European Community with a population of nearly two hundred million and Britain on her own would be in favour of the large community and unfavourable to us.

### Simple argument

There are many interesting referendum arguments which depend on remote hypotheses, on attempts to see further into the future than can really be seen, or on differing ideals. There is, however, this simple and practical argument: whether in or out, Britain will be heavily dependent on trade with Europe; whether in or out, the conditions on which that trade will be done will be established by the European Community, primarily with a view to the national interest of the countries who comprise the Community.

If in, we shall continue to play a full part in deciding what Community policy is. If out, we shall be almost, though not quite, as much affected by Community policy, but will have no hand in determining its course. Therefore the choice we are making is not one between a relationship with Europe and no relationship with Europe, but between a relationship in which we are full partners to the decisions that are taken and a relationship in which we would be a weak bargaining party trying to modify decisions which had already been made. This argument has in no way been shaken by the debate so far, and in our view it is conclusive.

## Formula for debate: finding the best way ahead

rd Lyons of Brighton matter how we vote as in the referendum, one tremendous gain for which can and should come is whole exercise.

ce all of us, whatever our have shared a platform ple we have always in the rded as political opponents, s has led to an almost us transformation. We have seen them as people who are about this country of as before the first thing d into question was their behind their views—this cause they shared our views y they were fundamentally nd decent people who rest to see the best done for I, for one, have really to listen to the whole argu- not to pick out conveni- ppetts out of context as a of proving their blind ship.

uggestion is that after the ce of this debate, we all go back to our respec- cal "sides" again, why do take with us the newly bit of believing that all of ever party we support out our country and its We may often be wrong in posed solutions, but our and the spirit behind them be faulted.

leads me to propose a new for our political debates. It stresses the positive and applied to any argument. your own industry for e. The public have read end- of industrial action and debate in both Houses of ent. Could we not start from ive statement: "We would s (journalists, printers, p- and readers) like to end r with as many newspapers ad at the year's beginning. I have accepted this, then ous arguments are not put l with sinister motivations a genuine points of differ- oping to produce a better, efficient and a stronger pres- ing to the national scene and just one of the current argu- Those who suggest either cooperatives or a shared ownership are looking for a missing motivation for iple. This motivation was oled, provided by a strong re- lieved, or by a strong desire e on "materially, or by that spirit of comradeship where of us acknowledged that e who oppose all such moves ing so because they are cor- ing cannot and will not work il lead to economic chaos for

the country. They are not incipient EECers nor do they wish to bring the workers into the dust. The argument is not about hate and mistrust. It is about finding the best way for Britain.

Let us therefore learn at least one lesson from this referendum. Both sides agree that staying in or going out of the market will not, whichever way we vote, solve Britain's problems in any miraculous way. This will only be done by our own 100 per cent efforts on our own behalf. And to be 100 per cent we have to stop scoring points for our own party. Let us instead, for all our sakes, start scoring points for Britain instead.

Yours faithfully,  
DENNIS LYONS,  
2 Clifton Terrace,  
Brighton.

### Science and technology

From the Chairman of the Council of Science and Technology Institutions and others  
Sir, The coming referendum on Britain's membership of the European Community is clearly of great importance to all professional scientists and technologists. Science and technology have long been international in character and Britain's membership of the Community has been helping professional bodies in the United Kingdom to discuss more closely with their counterparts the problems of ensuring adequate recognition of professional qualifications throughout the Community.

If Britain were to withdraw, these discussions would naturally end, and the position of British nationals and British companies could well be affected in a most unsatisfactory way.

We therefore appeal to scientists and technologists to recognize the importance to themselves of Britain remaining in the Community when they come to placing their vote in the referendum.  
Yours faithfully,  
P. A. ROBINSON, Chairman, Council of Science and Technology Institutions.  
W. E. DUCKWORTH, President, Institution of Metallurgists.  
A. B. PIPPAARD, President, Institution of Physics.  
CHARLES KEMBALL, President, Royal Institute of Chemistry.  
JOHN RODGERS, President, Institution of Statisticians.  
K. MELLANBY, Past President, Institute of Biology.  
P. G. WAKELY, Past President, Institution of Mathematics and its Applications.  
H. T. HOOKWAY, President, Institution of Information Scientists.  
Council of Science and Technology Institutions Ltd.  
47 Belgrave Square, SW1.  
May 27.

From Mr William Green  
Sir, One fascinating aspect of the Common Market issue is the way the media have failed to highlight the extraordinary and rapid transformation that has taken place in Toryism.

Yesterday's xenophobic jingoists today pour contempt on everything British. For example, modern Tories go berserk at the very thought of the British taxpayer applying money to renovate badly managed run-down British industry but accept with enthusiasm the commitment of the British taxpayer to an enforced and lavish subsidy to uphold the standard of living of greedy and hopelessly inefficient French farmers.

They will presumably start dancing in the streets after June 5 if the vote is Yes as soon as they see the Common Agricultural Policy really extended to Britain, when our agricultural industry will be forthrightly run down to suit EEC quota rules at the same time as massive tariffs are placed in full on our imports of non-EEC food-stuffs.

Why, there is hardly a stranger sight in all the land than the modern Tories—unless perhaps it is the spectacle of the Free Trade Whigs and democrats in the Liberal Party screaming hysterical abuse at any one who would seek to deny those Whigs the opportunity to belong to the biggest, most vicious, protectionist group in history!

As George Orwell said, the really important attribute of British people is a generally ingrained philosophy of ordinary decency. By no stretch of the imagination could that people deserve their present affliction which is to be burdened with and possibly destroyed by a bumper crop of dementedly repulsive politicians.  
Yours faithfully,  
WILLIAM GREEN,  
Easton House,  
Basingstoke Road,  
Spencers Wood,  
Reading, Berkshire.  
May 27.

### Protection from Bayern

From Mr R. G. Hawker  
Sir, Leeds United lost to Bayern Munich. No other British teams reached the European finals this year. England may fail to qualify for the European championship. May we now expect Mr Benn to advise the country not to expose its footballers to this fierce competition, and give a resounding No to next season's European competitions?  
Yours faithfully,  
R. G. HAWKER,  
56 Park Road,  
Woking, Surrey.  
May 28.

## Issues in the referendum: Britain's transition from Empire to Europe

From Mr E. G. C. Voullaire  
Sir, Since 1960, you have been kind enough to publish letters from me about the EEC, in which I opposed British entry. May I now explain why I have decided to vote for Britain to stay in Europe?

I was prompted to write to you by a letter from Lord Travunice in *The Times* (April 18) which summarizes the views which I myself held for so long, and which I no longer hold.

There are two parts to the argument which Bagehot might have defined as factual or emotional. Let me begin with facts.

That the adverse balance of payments with Europe is some £2,500m may be a fact but any inference that we would have done better without the EEC is unjustified. Trade outside the EEC would have been equally distorted by oil and inflation.

Are there any facts which may be used in the argument? I think there are a few. It is a fact that the outlook of the Commonwealth has changed in the past two or three years. I believe that the Commonwealth still has a useful part to play in world affairs, particularly at a time when the world is so divided and developing nations are developing and developing nations.

However, the majority of members now openly say that the greatest help we can give them is by maintaining in the EEC, most of the developed countries of the Commonwealth have now secured associate membership of the EEC, or have special consideration for vital products. Most developing countries, while wishing to retain the Commonwealth links, do not want to return to any special trade relationship with Britain which denies or lessens their trade with Europe.

It is a fact that we have virtually given up the great advantages of sterling for so long used in world trade, and which provided a counterweight to the dollar. The recent strains on the dollar are in part due to there being no world reserve currency. We have not the strength to revive sterling on which so much British trade was built.

It is a fact, and perhaps the outstanding fact, that we are now in the EEC. Some may blame Mr Heath for making Britain into Europe without the formality of a general election, but Parliament approved entry. We have signed a treaty.

If we leave Europe, we turn responsible opinion against us. We have enormous debts—some £5,000m—and are dependent on world opinion of our prospects for continuing to borrow money in the world, except perhaps Russia, which we leave Europe. Financial support, which we shall need for several years at least, is likely to be reduced.

The argument about sovereignty is possibly more compelling to

those of my generation who remember the pre-war Britain and its Empire being transformed into a great Commonwealth of nations.

Sovereignty is more an emotional than a factual matter. The limitations imposed on our sovereignty by the Treaty of Rome are few, and would only be harmful to our interests if we occupied our pre-war place in world affairs.

I opposed the EEC for some 15 years because I believed it possible for Britain, had she had the will, to have built up the Commonwealth as a group of nations, linked by common parliamentary systems of government, and united by common interests and interdependent trade, to the advantage of all. That is past. We are now in Europe. I must agree with Lady Jackson who, in *The Times* earlier this year (January 4), said that Britain must now use her energies to turn Europe "into a pattern of cooperation, a perception of common interests."

There is stuff here for idealism. There is now a task for the new generation—to build Europe, using trade and tariffs only as bricks and mortar for a much nobler structure. I am, Sir, yours faithfully,  
E. VOULLAIRE,  
Worship Manor,  
Porlock, Somerset.  
May 29.

### Chance to survive

From Mr A. M. Ronalds  
Sir, Most opinion polls in England predict (optimistically in my view) a victory—albeit a slender one—in favour of Britain's remaining in the Common Market on June 5. Although it would be a tremendous bludgeon to the British public to imagine that most Europeans are very concerned about the outcome of the referendum, a decision to leave would be regretted by committed Europeans.

This feeling of regret would be mitigated by a probably justified sentiment that Britain outside the EEC would cause less damage than inside.

But for most Britons who, like myself, reside within the Common Market, excluded from the right of voting on June 5 because parliament has decided otherwise, the departure of Britain from the EEC would be an acknowledgement of political and economic defeat, in face of the only genuine opponent at creating a peaceful and harmonious Europe.

Should that occur, I would rather surrender my British passport and apply for nationality in a more progressive and forward-looking country than remain part of an inward, arrogant, little Britain which would be like a small island further into the sands of oblivion.  
Yours faithfully,  
ANTHONY M. RONALDS,  
114 rue du Bac,  
Paris 75007, France.  
May 26.

## Comparisons in the price of food

From Professor W. I. E. Beveridge  
Sir, Reports on the price in pounds sterling of food in countries in the EEC are misleading to the average reader because the formula of the CAP, etc., to pounds is made at the current exchange rate which is influenced by such factors as balance of payments and is not a true translation of the real value of the different currencies in their own country. What is always produced is shown alongside the cost of some other items and wages similarly converted so that a more realistic picture is conveyed.  
Yours faithfully,  
W. I. BEVERIDGE,  
University of Cambridge.  
May 29.

From Mr Oliver Smedley  
Sir, It speaks well for Mr Bernard Levin's bitchy, gossip-column type journalism that he should be able to make a piece under the heading "Why there must be a resounding Yes in this fraudulent referendum" without mentioning one single argument in support of British membership of the European Community. Next week he promises us reasons both negative and positive. One can hardly wait for his last-moment pronouncements.

The positive argument why Britain's economy and institutions are fundamentally incompatible with those of the original six members of the Community lie deep in history. It is an undeniable fact, however it may have come about, that we are today more dependent on imported food than any other industrialized country. Without that food millions of our people would be undernourished, and many would starve. No British government could hand over to an alien government in a foreign country the responsibility for ensuring that day by day and year by year the British people will always have enough to eat.

In this single respect, if in no other, we are a unique island and not part of a continental system.  
Yours faithfully,  
OLIVER SMEDLEY,  
The And Dear Food Campaign,  
Neville House,  
Wendens Ambo,  
Saffron Walden, Essex.  
May 29.

From Sir John Winnifrith  
Sir, My friend Asher Winegarten is a past master in dialectic. His attempt, however, in his letter (May 27) to show that the CAP is a benign system designed to do no more than assure food supplies to the consumer does not display his art at its best. It is about as convincing as the attempt of the wolf to disguise himself as Red Riding Hood's granny.

Support buying more result in the consumer paying more than he should in a period of overproduction. Food is taken off the market just to ensure that he pays more than he should. Furthermore, far from stabilizing supplies, support buying inevitably perpetuates overproduction. It is an evil, ineffective and costly feature.

The other feature of the CAP is the total exclusion of imported food or its admission only after payment

of levies to bring its price up to the level fixed by Brussels in the interest of the home farmer. Professor Winegarten represents this as another mark of the benevolence of the CAP to consumers, only by assuming that the days are gone when certain staple foods could be produced more economically in the pastoral countries, where nature assures milk off the grass, than in Western Europe where cows have to be housed and fed on costly foodstuffs for a large part of the year. This and other food, economically produced, is denied to us by the CAP which deliberately protects the home producer against competition by more economic producers.

Mr Douglas Jay rightly describes the CAP as a policy which deliberately makes a mockery of the fact that it is needed by Professor Winegarten has written nothing which refutes this.  
Yours faithfully,  
JOHN WINNIFRITH,  
Hathhouse Farm,  
Ashford, Kent.  
May 27.

From Mr Lionel Albert  
Sir, Does Lord Sainsbury seriously believe that the farmers of France and Italy would accept prices below the world market price? If so, then he is ignoring the reality of the EEC. If not, then how can membership in the Common Market assure any better security and stability of food supply than non-membership?

Yours faithfully,  
JOHN ALBERT,  
4212 Granville Street,  
Vancouver, BC.  
May 26.

From Mr David Liss  
Sir, Surely the anti-Marketters have been badly advised to make an issue of the price of food?

I submit that by itself it is of very little importance in the argument. What matters is not how much we pay for food, but whether individuals or the nation find it easy or difficult to feed themselves in relation to their total earnings.

I also submit that in so far as there are countries with "low" food prices, these are invariably countries where the standard of living for the large majority of the population is low, certainly lower than in Britain.

Can any anti-Markettee demonstrate that I am wrong?  
Yours faithfully,  
DAVID LISS,  
49 Dale Street,  
Chiswick, W4.  
May 28.

From Miss Katrin Tolleson  
Sir, Perhaps Mrs Castle would also like to compare our prices with those of Switzerland or Sweden; neither of which is in the EEC.

Shopping in Brussels will then seem very cheap.  
Yours faithfully,  
KATRIN TOLLESON,  
1 Welbeck House,  
Welbeck Street, W1.  
May 29.

### From Mr John P. Grenside

Sir, The desirability of a high poll at the forthcoming referendum can hardly be in dispute. Nevertheless far too many people are indicating a wish to abstain from voting, either because, although in favour of remaining in the Community, they disapprove of the referendum in principle, or because, despite the massive educational effort now being made, they still find themselves unable to understand the issues at stake.

To those in the first category I would say that to register their protest by abstaining may result in irreversible damage not only to their own prosperity and security but also to that of future generations. Those in the second category I would urge to heed the advice of the leaders of the three main political parties, for one of whom they would almost certainly have voted in any normal election.

Yours faithfully,  
JOHN P. GRENSEID,  
The Treasury House,  
Putney Park Avenue, SW15.  
May 29.

### Sovereignty

From Mr G. Grant McKenzie  
Sir, A vote to stay in the Common Market is not a vote for a European government or a European parliament.

This is the view of most people who will vote Yes, whether they be Labour, Tory, Liberal or Nationalist. They do not want a federal or federal Europe or a directly-elected European parliament or any other kind with executive powers; and they dislike the existing Market bureaucracy.

They will vote Yes because we simply cannot afford to leave the Market. But they will expect the British Government to use its Market powers to stop—what it can—any infringement of our national sovereignty in those respects. And they will wish to see our Parliament exercise its powers which it can much fuller powers of examination and control of what we do or propose to do in the Market; and keep under review the theory and practice of the Market, in which our membership is so vital in this time of world economic power-block revolution.

Yours truly,  
G. GRANT MCKENZIE,  
2 Grosvenor Road,  
Reading, Berkshire.  
May 29.

### Dissenting

From Mrs H. F. Grant  
Sir, The contrast between Mr Levin's abusive article against the referendum and anti-Marketters, and Professor Neild's reasoned and informed argument against our staying in the Common Market (both articles, May 29), has reinforced my decision to vote No on June 5. In spite of reluctance to dissent from Mr Wilson's advice, for he omits him the greatest Prime Minister we have had since Lloyd George and trust him to look after our country's interests whatever the result.

Bernard Levin's abuse of Wilson (Wilson?), Benn, Shore, Lady (sic) Castle, and even Mrs Thatcher, reaches a new low in journalism, and is not what I would expect to find in *The Times*. I have yet to hear or read similar abuse by anti-Marketters of their opponents. If anti-marketters have a fault they

tend to overestimate our ability to judge and absorb statistics. A notable exception to abuse of anti-Marketters is Mrs Shirley Williams, who sticks to what she believes and considers relevant. If Mr Levin and his friends have their way and the Yes vote has a massive majority we may expect demands for a purge that will make Macmillan's "night of the long knives" look child's play. No anti-Marketter has suggested a purge of his or her opponents. Apart from the desirability in my view of a No majority, the next best thing would be a very large No vote which would at least strengthen the hands of our negotiators with the EEC and respect for the decencies of public debate.

Yours faithfully,  
HELEN F. GRANT,  
56 Cough Way,  
Cambridge.  
May 29.

### What Communists want

From Mr Alec McGuinness  
Sir, Many arguments, true and false, have been put forward in connection with the referendum on the Common Market. One true, unanswerable, undeniable, and realistic argument, which people in all walks of life accept, in favour of staying in the Common Market is that the Communists want us to leave it!  
Yours, etc.  
ALEX MCGUINNESS,  
Bryn Berllan,  
Cwmyn, Corwen,  
Merioneth.  
May 28.

### Involvement

From Miss Joyce Weiner  
Sir, The fragment of a news cutting has just fallen out of some family papers I was sorting. It comes from *The Times* of 29th May 1914 and above the distinguished signature of J. H. Morgan are the words "... there is but one lesson for us—first of all, that all of us who can (and I hope it may be my privilege) offer to serve our country in war and that the rest of us take to heart the noble words of Burke: "The great resource of Europe was in England; not in a sort of England detached from the rest of the world, and amusing itself with the puppet-show of a naval power—it can be no better power while all the sources of that power, and every source of power are precarious—but in that sort of England who considered herself as embodied with Europe; in that sort of England who, sympathetic with the adversity or with the happiness of mankind, felt that nothing in human affairs was foreign to her." I am, Sir, your obedient servant.  
JOYCE WEINER,  
36 Lower Lake,  
Barnet, Sussex.  
May 28.

### Compromise

From Mr Joseph Simon  
Sir, In *Sur la Pierre Blanche* Anoule France has expressed the belief that a day would come when England would embrace socialism while keeping her King and her House of Lords, and would agree to join the United States of Europe, but would declare herself its ally.  
Yours faithfully,  
J. SIMON,  
21 Princes Court, NW2.  
May 28.

## Calculating the effect on jobs

From Mr E. L. Phillips  
Sir, Professor Neild's argument for British withdrawal from the EEC as deployed in his article in *The Times* (May 29) may seem no more credible to most of your readers than when first put forward by him more briefly in a letter to you published some weeks ago. Nevertheless it should not be allowed to pass without comment. Indeed, the need for comment is all the greater now that this argument is becoming linked (see, for example, Mr Sedgemoor's letter also in the same issue) with other people's airy and misleading calculations about the hundreds of thousands of jobs being lost in the country as a result of EEC membership, which are bound to have an emotive effect at a time of rising unemployment.

To make British industry competitive, Professor Neild argues, "we must stop inflation, restore profitability, increase investment, rationalise with an 'X' industry and reform the labour market. Apart from the somewhat obscure reference to rationalisation (could it mean that more mergers like the feared creation of BNC are to be preferred to more nationalization?) the list certainly highlights the main objectives to which most of us would subscribe. But the argument would have been more impressive if Professor Neild had explained what measures are needed to achieve these objectives, why they could not be taken now and why they could be taken and would in fact be likely to be taken if this country withdrew from the EEC.

The most obvious and pressing requirement, the stopping of inflation, is clearly far more dependent on the willingness of those who hold power in the economy to refrain from using it than on anything else. But why should they be more willing so to refrain if this country refuses behind a tariff wall than if it remains associated with countries who seem to be making positively successful efforts to deal with inflation?

As Professor Neild argues, devaluation aggravates inflation, and protection aimed at increasing the price of manufactured goods in shops would have the same effect. In this as in other respects the desire for a "breathing space" is, one suspects, no more than a desire to find any excuse for postponing the time when unpleasant medicines have to be prescribed.

As to the international effects of a long course of inflation (five years, or more and, according to Mr Sedgemoor, at the rate of 20-30 per cent), Professor Neild is surprisingly optimistic. But the

examples that he gives of countries that have "used protection to foster industrialization", including his mark's Germany in 1879, make it clear that in this matter he is living in the past. Even so, he omits reference to the Ottawa system by which this country last sought to protect its market for manufacturers, thereby encouraging a complacency and inefficiency from which we are still suffering today.

In the postwar world there is no example of an industrialized nation proclaiming its intention to opt out of the general movement towards reduction of barriers on inter-national trade in manufactured goods by reverting to a high rate of tariff protection for many years. There is no reason to expect that our trading partners would accept such a proposal from this country. Public opinion alone would force Governments to reallocate at a time when all the countries concerned are suffering from unemployment, and many of them are helping, financially, to keep us afloat.  
Yours faithfully,  
E. L. PHILLIPS,  
45 Plants Lane, NW3.  
May 29.

From Miss Shelagh Roberts  
Sir, I am puzzled by Mr Meacher's assertion in support of Mr Benn that the EEC has cost Britain a total of 700,000 jobs. Are these ministers suggesting that if Britain had not entered the EEC the present unemployment figure of 850,000 would have been as low as 150,000?

Yours faithfully,  
SHELAGH ROBERTS,  
The County Hall, SE1.  
May 29.

### Referendum by the Eight?

From Mr L. J. Hannaford and Mr F. A. Scott  
Sir, The generally deplorable level of the entire Referendum debate coupled with reports of recent activities by Britons visiting the European mainland, lead us to wonder whether in the event of there being a majority decision in favour of remaining in the European Economic Community, there ought not to be a counter movement on the part of the remaining Eight to offer their electorates a similar choice regarding our continued membership.  
Yours faithfully,  
LAURENCE J. HANNAFORD,  
FEARFUL A. SCOTT,  
58 Elmbourne Road,  
Ynion: Bac, SW17.  
May 29.







# THE TIMES

## BUSINESS NEWS

**LAING**  
LOCAL  
OR NATIONAL  
CONSTRUCTION SERVICE

### American economy upturn next year expected to pass earlier forecast

Ann. May 30.—Administration's year's recession to 1975, but the 1976 rebound to be much earlier forecast. The 7.9 per cent average rate forecast for 1976 was unchanged.

Inflation, as measured by the consumer price index, will moderate to a 7.1 per cent average rate in 1976 from the estimated 9.5 per cent increase for 1975. Earlier the White House saw prices rising 10.8 per cent this year but slowing to a 7.5 per cent rate next year.

Short-term interest rates—measured by 91-day Treasury bill rates—will average 5.1 per cent this year and next, compared with a 6.4 per cent average rate forecast in February.

The Administration's budget forecasts are for fiscal years ending June 30. The estimate for 1976 is \$281,000m, \$2,200m above the February

estimate. Outlays are estimated at \$323,600m, an increase of \$10,200m. For fiscal 1976 the receipts are seen totalling \$299,000m—up \$1,500m from the earlier estimate. Outlays for next year have increased by \$9,500m to \$358,900m.

In addition, the Administration expects a \$9,000m budget shortfall in the transition quarter of July-September, 1976, before changing to a fiscal year which starts on October 1. It had earlier forecast a \$9,800m deficit for the transition quarter.

Mr Alan Greenspan, the chairman of the Council of Economic Advisers, said unemployment was likely to reach a peak of slightly above 9 per cent within the next few months, and then begin to fall. Wall Street up: After falling for the past three days (Wall Street today closed 17.29 points at 832.29 on trading of 2,670,000 shares. A general feeling that the economy was going to improve boosted the market.

Other things the other revisions of made last February year the fiscal 1976 Congress show that put of the nation's services, or gross product, after discounting, will decline this year instead of increase, but in the calendar year 1976 rather than a 4.8 increase.

### C approves state cover of Leyland

By Cross  
European Commission took more of the sails of British Leyland, approving the nationalization of the company.

Mr. Cross said in Brussels examining the British Leyland Commission had a conclusion that it was not in line with EEC rules.

The Commission had a conclusion that it was not in line with EEC rules. The Commission had a conclusion that it was not in line with EEC rules.

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### ack to 8pc inflation as ch prices rise 0.9pc

By Hargrove  
In the downward trend in April—they fell 0.9 per cent as 8 per cent in the month of March.

The increase in French prices from April, 1974, to April, 1975, remains slightly above the average of 12 per cent for western countries, in spite of the improvement in the past few months.

The higher figure for April is because of the increase in the cost of services, which has risen from 0.7 per cent to 1.3 per cent between March and April.

Food increased by 1.1 per cent, which is the same as March, because of the new price levels for producers decided in Brussels in February.

The monthly report on industry of the National Statistical Institute for May shows a certain stabilization of indices, but Mr Fourcade admitted yesterday that production was down 10 per cent over last year.

Order books remain below average, and the usual improvement at this time of year in export orders has not materialized.

The decision to approve the reorganization scheme for British Leyland, less than a week before the British referendum, is bound to lead to charges of Commission interference in the campaign.

Several commentators will find it difficult to see the success of the new plan.

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### Typewriter group rescue plan outlined

By Patricia Tiedall  
Representatives from Imperial Typewriters' Hull factory, where a sit-in in protest against its closure has been in progress for more than 14 weeks, outlined rescue proposals at a meeting with Mr Woodrow Benn, the Industry Minister yesterday.

The plan, drawn up by Transport and General Workers Union members at Hull in conjunction with university economists, is expected to be presented to the Cabinet early next week.

Mr Benn is also understood to have received rival proposals submitted during the past few days by workers at Imperial Typewriters' other British plant at Leicester.

This has been compiled with the assistance of Warwick Orr and Partners (the management consultant), which has been appointed by the Government to study the possibility of continued production at the two Imperial factories.

About 1,400 people at Hull and another 1,800 at Leicester lost their jobs when American-owned Linton Industries closed its United Kingdom Imperial Typewriters subsidiary for economic reasons last February.

The trustees of the Gannochy Trust, a charitable organization which has effective voting control of the largest independent distillery group, have accepted in respect of the 1.03 million shares to which they are entitled with the remainder being underwritten by Morgan Grenfell, Brokers to the issue as W. Greenwell and Bell, Lawrie, Macgregor.

The £3.5 debenture carries a 16 per cent coupon and was placed at £98 with a final repayment date of 2005.

Mr Raymond Miquel, Bell's chairman, said yesterday that sales of the group's whiskies have expanded rapidly in recent years. This growth, coupled with the big increase in the cost of laying down new stocks, had raised working capital requirements.

Investor's Week, page 17

### Work on new Vauxhall saloon at standstill

By Clifford Webb  
Midlands Industrial Correspondent  
Production of Vauxhall's new Chevette saloon was at a standstill last night after a walkout by 300 paint and trim shop workers. They were protesting at reported plans to switch some Chevette work to the company's Ellesmere Port plant.

The move, which was denied by the company, comes at a time when union sources claim that Vauxhall intends to place its 29,000 labour force under a further 2,000 to 3,000 jobs, most of them at the under-utilized Ellesmere Port works.

This would mean that 6,000 jobs would have been lost in the American group's British factories since the beginning of the year.

A Vauxhall spokesman admitted that talks were further cuts "to bring manufacturing levels into line with present business". But he denied that any figures of proposed redundancies had been given for management.

### Employers' warning of 'resentment' on jobs Bill

By Maurice Corina  
Industrial Editor  
Employers gave the Government a strong warning yesterday that "great resentment" is building up within their ranks against the Employment Protection Bill.

If no concessions are made during the committee stage, industrialists may wage a wider campaign for its future repeal by another administration.

During long talks at the Department of Employment, a delegation representing the Confederation of British Industry, the Engineering Employers' Federation and construction organizations accused the Government of being totally under the influence of union interests.

The Bill was described as "completely one-sided" and failed to take into account many fair trade union representations from employers.

Mr Albert Booth, Minister of State for Employment, apparently promised to communicate the strength of feeling to government colleagues and to consider the many points raised.

The clear suggestion from the employers was that what was happening to them under the Bill was the reverse of what happened to the unions under the Industrial Relations Act, now repealed.

In these circumstances, and in the absence of any obvious concessions, a situation could be created where employers might campaign just as vigorously as did the unions against that Act.

This would not help improve the climate for industrial relations, where the Bill ought to embrace a situation where employers' experience as well as union views.

Pierce objection was taken to clauses relating to recognition disputes taken by unions to the Advisory, Conciliation and Arbitration Service. The subsequent award would be binding on employers, but not on unions. This was unfair.

The sheer cost of providing new benefits and meeting clauses on low pay was also attacked as inflationary. Placing the burden of new matters on employers, for example, on employers who had a high proportion of female labour.

### MEPC denies merger reports after losses

By Our Financial Staff  
Provisions against losses may be made in the forthcoming interim statement from MEPC, the United Kingdom-based multinational property company.

The group has been hit particularly by events in Australia and Brussels. In Australia negotiations are being held for the takeover of the Stock Exchange project, which is being developed slowly, while the Manhattan Centre in Brussels, which is only 40 per cent let, is losing money.

Mr Anker, MEPC managing director, said yesterday. But he denied reports that the company was considering a merger with a private property company, saying: "We are not talking with any companies along those lines."

Mr Alan Crowe, company secretary, said there never had been any such discussions nor was the company planning any. Neither Mr Anker nor Mr Crowe would comment on suggestions that the board intended to pass the first dividend now, while they elaborated on what the possible provisions would be.

Mr Anker said the position in both the United States and Canada was strong, with North America being "our prime area for growth". He believed that Australia, which was "looking good", would turn round. MEPC shares fell 2p yesterday to 151p.

FT index: 345.1 -3.4  
The Times index: 142.54 -1.21

On other pages

### Hambros director says loans to Norwegian shipowners are 'safe'

By Our Financial Staff

After weeks of speculation about the extent of its potential exposure to losses in the supertanker market, Hambros Bank last issued a statement claiming that all its loans to Norwegian shipowners are considered as "safe", even at today's values of super-tankers.

This claim was made by Mr Otto Norland, a director of Hambros in an interview with *Aftenposten*, the Oslo newspaper yesterday. Hambros share price closed 2p stronger at 153p in the stock market after the statement became known.

It is believed that the bank's loan involvement in laid up tankers amounts to some £100m (about £60m), but that the security attached to these loans is sufficient to ensure that it will escape loss.

Hambros is thought to have taken a cautious view of its own leading policies, rarely committing itself to the extent of more than \$30 a deadweight ton, or exceptionally \$40 per dwt, on a tanker for which the cost might be around \$200 a ton.

Its loans, which have mostly been widely syndicated among international banks, are reported to have been made against the security of first mortgages, with additional collateral of a non-shiping nature being required.

Even with the market in its present dismal state, recent tanker disposals have been taking place at around two or three times the price per dwt of Hambros' involvement, suggesting that values will have to fall far more yet before its loans become exposed.

The bank, whose chairman is Mr Charles Hambro, has come into focus recently as one of the main creditors for the Norwegian shipowners, Mr Hilmar Røksken and Mr Hagbarth Waage of Bergen who are both money-broking interests have been bought by Sime Darby for £146,000.

The reason given in the prospectus for Sime Darby's decision to dispose of Clive so soon after its purchase is that it is "in accordance with the policy of concentrating the resources of Sime Darby's subsidiary and associated companies in the North Sea oil and gas sector in certain clearly defined activities".

Equally important has been the attitude of the Bank of England, which, according to the prospectus, "has raised no objection" to Sime Darby's plans, but is believed to have been unhappy about the group's continued ownership of Clive.

Difficulties have arisen because aggressive buying of Sime Darby's shares in the Far East in the past year or so has decisively shifted the ownership of the company away from the United Kingdom.

The Bank of England is thought to have stipulated originally that control of Clive, which is part of the inner core of the financial system, should remain in British hands, and to that extent has been keen to see Sime Darby divest itself of the company.

Since SKP's offer closes on June 12 and because it is now unlikely that the Office of Fair Trading will have made its decision by then, there is a running risk.

If sufficient Sheffield shareholders accept SKP's cash offer in the hope that the bid is not referred, SKP may be able to declare its offer unconditional. In that case Thorn would be thwarted.

referred by the Office of Fair Trading to the Monopolies Commission and has given no indication of what terms it might offer. The Panel says Thorn has started an offer period under the Takeover Code rules, and must disclose any dealings in Sheffield Twist shares.

The Office of Fair Trading, which was due to decide within a few days whether or not to refer the SKP bid to the Commission, will now take longer to make its decision—perhaps three weeks—after Thorn's intervention.

And if the reference is made the Office is almost certain to ask the Commission to inquire into the whole Thorn/SKF/Sheffield Twist position. It is most unlikely to refer just one of the bids. Under Code rules a bid must be withdrawn if there is a Monopolies reference.

Faced with the uncertainties created by Thorn's surprise intervention, Sheffield Twist shares fell 6p to 69p yesterday, compared with the 77p offered by SKP.

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hard hit by the present economic recession in tanker shipping.

In a general comment on the situation for Norwegian shipping, Mr Norland said: "Parts of the Norwegian shipping industry have trouble, but it should be possible to overcome the present crisis through cooperation between shipyards, shipowners, financial institutions and the authorities."

Mr Norland said Hambros was not in any danger because of its relations with Norwegian tanker shipowners.

"Should the shipping crisis go from bad to worse, we might suffer a loss or end up as shipowners ourselves as a consequence, but that is from my point of view a normal risk to take for a merchant bank. On the other side this is a very unlikely development in the gloomy situation today, both in Norway and elsewhere", he said.

### Sime Darby discount house up for sale

By Christopher Wilkins  
Banking Correspondent

Sime Darby is to sell the bulk of its holding in Clive Discount through an offer for sale of its shares to the public. This will be the first offer for sale since the end of 1973, and thus creates a new landmark in the recovery of the stock market as a fund-raising source.

The offer is being made at 48p a share, which puts a value on Clive, one of the 11 members of the London Discount Market Association, of £6m. This compares with a price of £24.7m which Sime Darby paid when it originally acquired Clive in July, 1972.

Comparisons are largely meaningless since Sime Darby acquired Clive for shares at a time when both companies were enjoying unusually high stock market ratings.

Just over 85 per cent of Clive's shares—some 10.5 million—are being sold, leaving Sime Darby with a 15 per cent stake which it intends to hold as an investment. Clive's

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### Falling off in new time buying hits market

At the end of a week dominated by the uncertainty created by the EEC referendum, profit takers dominated the scene on the London stock market yesterday.

With investors unwilling to take up fresh positions ahead of the poll and jobbers anxious to keep level books the FT index slid 9.9 points over the four days' trading but over the two-week account improved 3.3. During the past two days, an additional factor was the lack of interest in "new name" buying.

Although the tone in tilts has been firmer, trading was quiet with a shift towards the longer end of the market.

Investor's week, page 17

### New agency for £1m Ford advertising

Ford has appointed a new advertising agency and is planning to more than double its publicity expenditure this year.

Odyssey Benson & Maier, taken over advertising for makes which include the Ford Escort and Cortina, claimed to be the two best selling cars in Britain on July 21. Collett, Dickenson, Pearce and Partners resigned from the car account earlier this year, but have continued to work on it pending the appointment of a new agency.

Ford says it expects to spend over £1m on its car advertising in 1975.

### US gold sale

The United States will sell about 500,000 ounces of gold from its national stockpile at public auction on June 30, the Treasury Department said yesterday.

At the current free market price of about \$18 (about £7.0) an ounce, the sale could earn more than \$83m for the Government.

### £105m Citroen loss

Citroen, the French car company, announced in Paris yesterday a net loss of 981m francs (£105m) for 1974. The loss includes a deficit on current operations of 14m francs and provisions for loss in value of portfolio holdings of £347m.

Pan Am vow  
Pan American World Airways yesterday assured a continuation of "open rates" among international airlines in the area of travel agent commissions. It rejected an IATA proposal for an across-the-board increase to 7.5 per cent from 7 per cent in the standard travel agent commission.

### Agricultural exports up

Exports by the agricultural engineering industry rose 56 per cent to £141.7m in value in the first three months of this year compared with the same period last year. Imports rose 19 per cent to a value of £37.4m.

### The United Industrial Company Ltd.

#### INTERIM REPORT

Results (subject to Audit) for the half-year to 31st December 1974

	Six months to 31st Dec 1974	Six months to 31st Dec 1973	Twelve months to 30th June 1974
	£	£	£
Group Turnover	1,481,864	2,077,236	3,376,891
Trading Profit	708	69,879	73,182
Rents Receivable	13,717	17,329	37,853
Group Profit before Taxation	14,425	87,208	110,835
Taxation	7,500	38,181	55,280
Group Profit after Taxation	6,925	49,027	55,555
Extraordinary Items	(30,029)	—	(1,192)
Group Profit (Loss) after Taxation and Extraordinary Items	(23,104)	49,027	54,363
Dividends—Interim	—	13,475	13,475
Final	—	—	18,842
	—	£13,475	£32,317

The turnover and trading profits of the principal activities of the group are shown below—£000's

	Six months to 31st Dec 1974		Six months to 31st Dec 1973		Twelve months to 30th June 1974	
	Turnover £	Trading Profit £	Turnover £	Trading Profit £	Turnover £	Trading Profit £
Wholesaling	1,482	1	1,961	73	3,761	78
Retailing	—	13	116	(3)	116	(3)
Rental Income	—	—	17	—	—	88
	£1,482	£14	£2,077	£87	£3,877	£111

#### CHAIRMAN'S STATEMENT

Since my last statement there has been further and extensive reorganisation of your Company. We have moved out of rented warehouse premises and by re-negotiating have taken possession of the major part of our own freehold property in Leeds. This is resulting in greatly improved handling facilities, lower distribution costs and increased efficiencies generally. In addition, our withdrawal from the fancy goods field has been completed, although this has meant clearing stocks at a loss and writing off goodwill being the extraordinary item of £30,029 set out above. In view of the uncertainties of this market your Board felt it was right to take this step.

Negotiations concerning the proposed acquisition in France referred to in my last statement have reached an advanced stage and we hope that they will be concluded very shortly.

The reorganisation has inevitably involved additional costs which have affected the trading profit. It also coincided with difficult trading conditions but I am pleased to say that new business has been, and is still being, developed and that your Company is trading profitably.

In the light of the foregoing, your Board has decided not to declare an Interim dividend. D. E. Hillman-Eady, Donisthorpe Street, Leeds LS10 1PP, 28th May, 1975



## PERSONAL INVESTMENT AND FINANCE

## Talking Shop

## Be a calculating type

With school examinations coming up, many people, irrespective of whether or not these instruments are permitted under exam conditions, are paying more attention to pocket calculators. To the non-numerate layman, these are magical devices which can solve all the arithmetical problems of division, multiplication, subtraction and addition at the flick of a finger.

The latest model, just launched by Dixons Photographic under their Printronic label, costs well under £10 and there are other makes retailing at around the £10 mark. At these prices, calculators are within the reach of almost any pocket. The question is where to buy it and how much to pay for it?

The difficulty lies in the fact that electronic calculators are a new, fast-growing, and highly competitive market. Even a year ago, people who paid £30 for a reasonably adequate model were confident of having made a good buy. Today, the minimum price for what is essentially a similar or an even better product.

At the time (February, 1974), experts were speaking about a "barrier" of £30. At today's prices the limit has dropped below £10 and some people in the trade are now speaking of as little as £5 as the latest "barrier".

The majority view, however, considers this price to be unrealistic. So, the message appears to be: buy your electronic calculator now, or within the next six months or so, to get the best price advantage.

This advice, of course, applies only to the popular end of the market; calculators with specialist functions can reach any price. But for average use, the purchaser should not expect to pay more than £10 to £15 and within that price range should have adequate scope for his needs.

Guidance on which brands to buy are outside the coverage of this series of articles. The Consumers' Association publication *Which?* featured small electronic calculators in its December, 1973, issue and again in February, 1974.

Since then, a number of new products have been introduced. So probably the best method of selection at the moment is to visit a store with a large display of calculators and to try the new models personally. Points to look for include a digital display, a panel where the numbers light up— which can cope with eight digits rather than six or seven. You may not think you want to calculate in numbers more than hundreds of thousands, but once you own the device it is frustrating not to be able to, particularly as the additional capacity is available at the same price.

Other points to consider include the method of power supply, which may be dry cell batteries, rechargeable batteries



(with charger) and mains adaptor. At the lowest price range of calculator (less than £10) the cost of dry cell batteries seems to be about 60 to 70 pence for 20 to 30 hours' use.

This is a factor to be considered, but it should be remembered that with rechargeable batteries you could have a problem (in a train or aeroplane for example) when they run down and it is difficult to get them recharged.

This may take up to 15 hours to give four to five and a half hours continuous use. So it is worth thinking seriously about how important the portable aspects of the calculator are to you.

Having decided to go ahead and buy a modestly priced calculator, and considered roughly which model to look for, it is then worth travelling to the nearest chain stockist. For multiple suppliers such as Dixons, Currys, Lasky's, Rylands, W. H. Smith's and Boots are likely to be well ahead in such a fast moving field.

Dixons have two models at less than £10—the Printronic Asset 7 which carries 8 digits, a floating decimal point, a percentage key and a square root key for £7.95, and the Printronic Asset which costs £9.95 has a larger, green display panel but without some of the other attributes of the smaller model.

The Prinz brand is available only through Dixons, other stores, including Lasky's and Currys, have nationally distributed brands at reduced prices. The Currys brand, at the lower price bracket, feature the CBM 786 D (made in Japan) at £9.95 against a recommended price of £11.83 and the Novus 650 at £7.95.

Currys produce a useful check leaflet of the functions of their models. This shows

that the Novus 650 may not be such a good buy as its price might indicate. For example, it has only a six digit display and a fixed (compared with a floating) decimal point, no percentage key and no square root key. All these features are included in the Dixons product retailing at the same price.

Both Dixons and Currys like most of the large chain groups offer opportunities for trial and demonstration. Most people buy calculators on the basis of key size, area and clarity of digital display and the general "feel" of the instrument as well as on a logical basis.

Trial and demonstration—because of the wide differences in these areas, as well as price—are particularly important with pocket electronic calculators. For, to those who use them, they become a daily tool and minor design faults can become disproportionately irritating over a period of time.

On reliability and servicing *Which?* found that about one in five of their members' calculators had broken down. But most were able to get them repaired or replaced since the breakdown had occurred within the guarantee period (likely to be six months for the cheaper models).

Another important factor is where to buy, in the light of this evidence, is easy access to the point of purchase in case you have to return your calculator. Most of the multiples say they will accept return for replacement or repair of a faulty calculator at any of their branches.

But it is a useful precaution to cite the particular branch nearest to you at the time of buying if this is different from the one where the purchase is made.

Patricia Tisdall

## National Insurance

## Warm welcome to index-linking

Britain gets its first taste of index-linking from next Monday onwards when the Index-linked National Savings Certificate Retirement Issue—give them their full name—go on sale. As we have pointed out in earlier articles, men over 65 and women over 60 are eligible to hold the certificates which can be bought in multiples of £10, with a minimum investment of £10 and maximum of £500.

With inflation running at an annual rate of 30.1 per cent (based on the evidence of the past six months) there is little doubt that these certificates are probably the best form of investment there is at the moment for investors with the right age qualifications. In particular older people who are paying less than basic rate tax should definitely consider them as a preferable alternative to building society investment.

The certificates can be encashed at any time, but if this is done within the first 12 months then only the face value of one's investment is returned. After 12 months, however, investors will obtain the original investment increased in line with the increase in the retail price index during that period. If the certificates are held for five years, then a 4 per cent bonus (based on the original value of the holding) is paid in addition.

The certificates are linked to the general index of retail prices, based on the average rise of a host of consumer items ranging from essentials such as housing (rent, not mortgages), food and clothing, coal, gas, electricity and transport through to luxuries such as drink and tobacco. The figures for each month are collated into the general index of retail prices and published some time around the middle of the subsequent month.

It is the publication of the index which is the key to would-be investors. Anyone who buys a certificate in June will have his holdings revalued in line with any increases in the retail price index published in May, which was the 12.1 figure relating to April prices. Irrespective of the fact that the retail price index for May is due on June 15, it will be the 12.1

level which will apply to all certificates purchased in June. So anyone wondering whether or not to be tempted into acquiring some certificates can rest the temperature of the water—for a month at least—before buying.

The same "interval" occurs when the certificates are cashed. The applicable retail price index figure is the one published in the month preceding the sale, or the five year anniversary if the certificates are held to maturity.

Obviously the certificates are not interest-bearing, but some investors will wish to take annual cash payments by cashing their certificates at 12 monthly intervals to take out the increase attributable to the increase in the retail price index.

Because the certificates are only valued monthly, it should be possible to cash them in at the beginning of the month, and reinvest the original sum as the retail price index increases by the end of the same month without missing the "benefit" of a month's inflation.

It should be a whole life policy, on the joint lives of husband and wife, with the sum assured, plus bonuses, payable on the second death. This type of policy was not really suitable under estate duty legislation. Now, however, it is very much coming into its own, and life offices are trimming their premium rates and making their contracts generally more competitive.

It is important, therefore, to select an office carefully, dependent on premium rates (and the outlook for bonuses) when it is decided to take a policy on this basis.

For the premium to be "qualifying", thus attracting the customary tax relief, etc., there are three ways in which this type of policy can be written.

A level premium can be paid throughout the second death. Another method is for premiums to be payable until the second death or for a period of 10 years—whichever is less.

The third method of writing this type of policy is for the full premium to be payable until the first death, and then for the premium to reduce by not more than one-half, remaining payable until the second death.

In this event, if the first death should occur before the sixth year of the policy, the full premium must be paid to the end of the sixth year, only reducing to one-half at that stage.

provide for capital transfer tax on the assets passing to the next generation when both husband and wife have died. This, also, should be written on a trust basis.

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## Fighting to save Allied Elderberry

The following is the text of Communiqué No 5 issued yesterday from Junta HQ, Whitehall:

From: General Sir Herbert Herbert, GOC Xth Financial Division, to: All Ranks.

1 The Military Administration regrets to announce that the tactical and strategic position of Allied Elderberry Wines Ltd has recently become extremely serious. In order to protect what is after all one of our most priceless national assets, No 4 (Regeneration) Company, 1st Battalion the Queen's Own, Department of Trade and Industry, affectionately known as "The Red Octopus", has therefore been deployed into the area.

2 In a series of lightning moves designed to remedy the situation and consolidate the ground thus gained, Lt-Col Rudolph Grogg-Beverington, the chairman of the company, has been confirmed in this appointment for life, and at the same time promoted to 2 i/c XXIVth Industrial Brigade (Dartmoor).

3 Not only the direct, but also the indirect effects of the thrust into the industrial heartland of our country will be of significant and lasting benefit. To have abandoned Allied Elderberry Wines would also have entailed the sacrifice of such other priceless national assets as Cogg and Sprockett, manufacturers of berry-fuddling machinery; Messrs Delye, Delye de Famme company's auditors; Wolfbane, Lusworn, merchant bankers to the company; and British Alchemist, suppliers of the artificial sweeteners and stimulants which give this famous product its unique and amazing characteristics—not to mention the berry growers of Dartmoor, and the Great Rockall and Hong Kong Investment Trust, which holds the 51 per cent of Allied shares not held by the company's pension fund. As it is, upturn signals a hour of glorious nation's expected recovery.

4—Furthermore, the entire Allied Elderberry work force

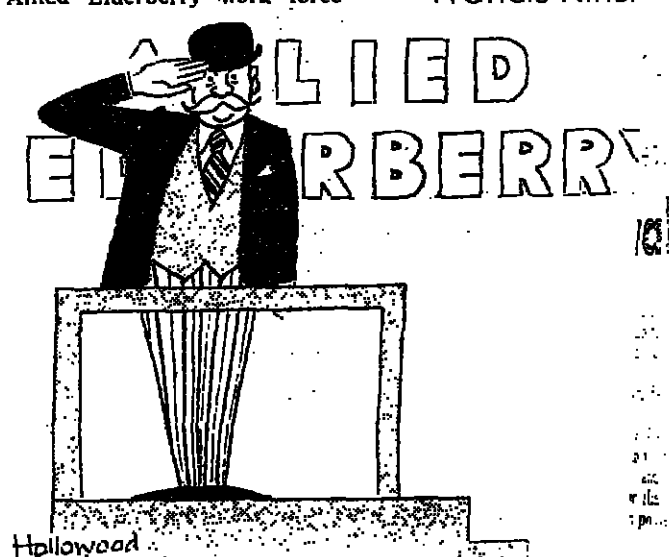
yesterday took the ceremonial oath of loyalty at a parade on the recreation ground, 1 Moor. Fresh from their training and reinforcement course, many of them still hooded and under the influence of CS gas, the wor-

marched past the saluting at the double, the salute taken by Rear-Admiral the 1 Trite of Cricklewood, chair of Great Rockall and Hong Kong Investment Trust. Congratulatory messages from Lt-Col Rudolph, local convenor of National Association of Siders, Turcoopers and bishers (NASTI), and from Gen. Sir Harry Half-Stag, president of the British Irial League for Gainful deavour (BILGE), were relayed over the public address system. As an instructive exercise bayonet practice was carried out on a small number of recalcitrant debenture holders.

5—Meanwhile, in the Otrious Room, Dartmoor, information gleaned from a pair of D Troop of the Compute Squadron of the 4th Management Consultant Hu is now being considered. It shows that Allied Elderberry investment has been in proceeding at a negative over the past 10 years and guests that the white machinery, much of it over years old, should be sold to Museum of Industrial Arcology, Mae West Unive Florida.

The company was in fore in need of an injectal capital to the tune of £1 day before yesterday will require another £184r annum for the next 17. And in return, the tax will be contributing to recovery and strength of vital sector of our industry, and helping to build greatest elderberry wine plex in the world—muscular and ready to go as soon as the wounded aupturn signals a hour of glorious nation's expected recovery.

Francis Kinsr



"... the salute being taken by Rear Admiral the Trite of Cricklewood, Chairman of Great Rockall and Hong Kong Investment Trust."

John Drummond

## INTERIM STATEMENT

## THE CHARTERHOUSE GROUP LIMITED

Interim Report for the half year ended 31st March 1975

**Results**  
The general downturn in the economy has particularly affected the areas of the Group and this accounts for the results being substantially lower than in the corresponding period last year.

Because of economic and market conditions it was decided to defer realization of certain development and venture capital investments, resulting in a material reduction of profit from this activity.

In the construction industry, Charterhouse has the benefit of an unprecedented downturn in both the public and private sectors and made a profit, less in the period after exceptional costs of production rationalization. Although the construction industry as a whole is likely to remain in a depressed condition until next year, appropriate measures have been taken in Charterhouse to achieve profitability, the end and half of the current year and to provide a sound base for the future options in the industry.

Service Engineers and Spring Grove Industrial Services earned significantly higher profits. The banking group maintained its strong liquid position and, together with the insurance

broking companies, achieved satisfactory results. Central interest and expenses have been in part offset by revenue from The Charterhouse Investment Trust.

**Outlook**  
In the present economic climate it is extremely difficult to forecast the outcome for the full year but year Directors expect a substantial recovery in profits in the second half of the year. However, the results for the full year will be lower than those of last year.

The proper development of small to medium sized companies is a stated objective of Group policy. There is a vital need for greater investment in first-hand industries. We shall continue to invest in such areas and support activities which will benefit both the economy and the Group.

**Interim Dividend**  
An unfranked interim dividend of 9.75 pence per £100, paid ordinary, share amounts absorbed £57,425,111, been declared in respect of the year ending 30th September 1974 and will be paid on 14th August 1975 to shareholders on the register on 17th July 1975.

RESULTS for the half year ended 31st March 1975		£'000	
	Half year ended 31.3.75	Half year ended 31.3.74	Full year ended 30.9.74
<b>Profit before taxation</b>			
Development and venture capital	244	1,626	2,032
Manufacturing	513	543	3,276
Distribution and services	1,175	543	1,755
Insurance broking	605	747	1,233
Banking and related activities	849	514	1,989
	2,024	4,483	10,900
Less: Central interest and expenses	1,454	1,207	3,054
	1,470	3,278	7,855
Less: Attributable to minority shareholders	3	4	120
<b>Profit before taxation attributable to the company</b>	1,467	3,274	7,735
Less: Taxation	774	1,534	3,896
<b>Profit after taxation</b>	693	1,740	3,839

**Notes**  
1 The half year results shown above are unaudited.  
2 Banking profits are after transfer to intercompany reserves.  
3 The charge for taxation includes 1.6 Corporation Tax at 52.1% (1974—52.1%).  
4 Group turnover, excluding development and venture capital and banking activities, was £54.1 million (1974—£47.1 million).

**CHARTERHOUSE**  
1 Paternoster Row, St. Pauls, London EC4P4HP  
Development and Venture Capital - Banking - Insurance Broking  
Manufacturing - Distribution and Services

## Round-up

## Bonus bonds • New loans

M & G are marketing a useful short-term income scheme which is attractive for the fairly modest saver in the basic rate and slightly higher tax brackets. It is the Guaranteed Bonus Bond—which has absolutely nothing to do with guaranteed income bonds, although it is based on an aspect of tax rulings for insurance companies which in certain situations can favour both the company and the policyholder.

The bonds are single premium investment assurance policies which will mature at the end of September, 1979. Guaranteed cash bonuses at the rate of 8 per cent are payable each September (beginning September, 1979) which are paid net of basic rate tax. So, the effective gross yield is 12.3 per cent compared with the 10.7 per cent gross equivalent yield for basic rate taxpayers offered by building societies (assuming you buy the bonds before June 30 will receive a 2 per cent interim bonus).

At the end of the term (September, 1979) the fixed interest stock in which the premiums will be invested, policyholders will be able to transfer their holdings into any one of M & G's bond funds at an initial charge of 4 as opposed to 2 per cent. This will enable higher rate taxpayers to defer their tax liability until the ultimate sale of the bond.

Good news for prospective purchasers of more expensive houses. The Government is about to relax the special anti-inflation limit of £13,000. This level was first fixed in 1971 when the average house price was £5,632. At the end of 1974 the average price was £11,135.

The House of Commons and the building society government have in mind is £20,000. It will certainly be of assistance for people in the south east and London regions where 15 per cent of all mortgages last year were in excess of £11,000.

At the moment the societies are only allowed to allocate 10 per cent of their total advances on loans in excess of £13,000. And some societies have been keeping their special advances down to the bare minimum.

Borrowers who have been unable to secure a larger loan from building societies have been taking "topping up" loans from insurance com-

panies at rates between 12 and 13 per cent.

Any easing of the restrictions could act as stimulus to house sales in the middle range of the market which has been very unresponsive so far.

Although unit trust sales have shown a fall in the first quarter of the year—gross sales were £32.4m compared with £43.4m in the last quarter of 1974—there has been remarkably little change in the volume of unit-linked policy sales. According to figures released during the week by the Linked Life Assurance Group annual premium sales (which include monthly premium contracts, etc) rose from £7.5m in the last quarter of 1974 to £9.5m in the first quarter of this year.

The Association of Unit Trust Managers, incidentally, has added its voice to the many uplifted either in favour of getting in or out of the Community. After reflection it considers that if investors' interests will be better served by staying in the EEC.

National Giro is entering the loans business as from Monday and will lend anything from £130 to £1,000 to account-holders of at least a year's standing who have saved through Giro credit. Interest will be at the flat rate of 10 per cent, equating to a true rate of between 19½ to 20 per cent according to the length of the loan.

At the moment Giro account-holders can take up a personal loan through Giro arranged with Mercantile Credit at true rates in excess of 25 per cent. The question is how many of these borrowers will gradually turn their allegiance to Giro. It appears that about half of the Giro customer £10m loan business will be met by a direct Giro loan in future.

A new chief executive has been announced for the Trustee Savings Banks. He is Mr Tom Bryans who comes from the Northern Ireland Bank. He will have the difficult job of transforming the Trustee Savings Banks from a cluster of independent banks sheltering under the Government's wing into a fully-fledged independent bank.

## Pensions

## Finding out how to benefit oneself

Ask the majority of working people in the country what they expect to receive in their pay packets at the end of the week or month and, assuming they are willing to divulge the information, they could probably tell you the answer to within a pound or two almost immediately.

But ask those same people what their income is likely to be when they retire and a very different picture will emerge. This was illustrated last year when some statistics were produced showing that only about a third of the men questioned knew precisely what their pension entitlement would be on retirement.

Whose fault is it then that there is such a lack of interest about such an important subject? It might be thought that the employer fails in not adequately explaining what arrangements are being made to cater for the needs of the staff when they eventually retire.

It is now widely recognized that an occupational pension should be viewed as being deferred pay. In other words, today's earnings are split into two parts: the first provides for immediate needs, the second—a contribution from the employer, and often one from the employee—goes towards providing for earnings after retirement.

On this basis, one would have thought that members of pension schemes might take more interest in what these contributions were buying. If, however, employers do not "sell" this idea to the staff perhaps the results are not so surprising.

But the employer is not entirely to blame. On many occasions the pension arrangements themselves are so complicated that only an expert can understand them. What chance therefore has the employer of impart-

ing knowledge to the staff when he does not fully understand the details himself?

It might be argued that if this is the case pension schemes should be made simpler. This is so often true. It happens sometimes that to avoid anomalies as between different sections of employees, or to integrate with the state scheme benefits, the formula for calculating the fund pension may become vastly more complicated than was ever intended by the employer.

In tailoring the pension scheme to suit the employer's exact needs, therefore, the advisers may have neglected to bear in mind that it is of paramount importance that the employee as well as the expert should be able to work out precisely what his benefit will be in all circumstances.

The situation can arise in these cases where the good intentions of the employer towards his staff in caring about their future welfare are lost because the staff just do not understand what is going on. After all, if a company has a good product to sell there is not much point in keeping quiet about it and not informing the potential customer. Equally, if a firm has a good pension scheme it is foolish not to let the staff know how good it is. It could improve morale.

The normal method of informing members of pension schemes of their rights and obligations is by means of a short explanatory booklet. Only the basic facts are included—generally with a note telling the reader that the full rules, which are usually contained in a formidable document couched in legal language, can be inspected at any time—although it is unlikely that many people ever take up this option.

The basic facts would include what benefits can be expected on normal retirement and what happens in the event of retiring earlier or later. Information regarding any death benefit under the scheme is given and of course how, if anything, members are expected to contribute themselves.

Since April 6 this year, provided certain conditions are fulfilled, members of pension

schemes have new rights they leave. A firm's pension scheme that did not at voluntarily preserve pay when members left service have had to be amended accordingly. Such a situation has been considered a golden opportunity once again to bring the attention of pension scheme members not only latest bits of legislation but a reminder of the other parts of the scheme and perhaps note of his or her own entitlement.

When a pension scheme originally set up it is a practice to give the particulars required by Inland Revenue as a cor of approval in the form of an announcement letter to a staff similar to those contained in the subsequent explanation booklet.

This is then followed by a meeting of those interested that any questions can be answered. It is a pity that not also general practice have regular meetings of kind once a scheme is run. This would greatly benefit only the staff but also employers.

Of course, looming shortly is Mrs Castle's new State scheme expected to the statute book summer and due for implementation in 1977 or 1978. This once again plunges the industry into a great deal of work involving the reassessment of each occupational plan and viewing it in the light of the new provisions. It will present an opportunity to grips with the common problem.

But not every scheme can be criticized for failing to get the message across to members. In particular, some of the large companies have been employing experts in the art of communication who have taken a deal of trouble to pass in detail to employees in understandable form. If anything, members are expected to contribute themselves.

Since April 6 this year, provided certain conditions are fulfilled, members of pension

Derek McCull



or's week

# Whisky measures • textiles

of next week's Refer-  
the stock market has  
all this week, though  
were still willing to  
quidies if prices sagged  
A Yes vote at the  
um is generally  
in the City. The only  
f a close vote, or of a  
crisis if the Market  
ced in splitting the  
ext.  
g results from Court-  
MP seemed, in their  
ways, to fit in with  
inking, Lord Kearton's  
us of a tame slump  
with signs of recovery

soon after were well taken  
in the City, while his group's over-  
seas profits confirmed much of  
the market's activity of the past  
two months. The slowdown at  
BP is also just about as ex-  
pected by the stock market.  
Assuming that the Refer-  
endum produces a Yes  
answer, and that sterling does  
not get into serious trouble,  
then the institutions are likely  
to resume buying of major ex-  
port shares. Consumer issues,  
meanwhile, remain unsettled by  
fears of an economic clamp-  
down in the United Kingdom.



Courtauld's Lord Kearton: the  
wrest is yet to come.



Carrington Wells's Sir Jan  
Lewando: stay in the EEC

not unprecedented  
of new funding has  
in the Scotch whisky  
hit month. First there  
illers, the industry's  
\$25m private  
f 100 per cent  
aid States primarily  
the ever-increasing  
ing down new stocks  
olier this week, the  
long-term financing  
on the European  
Bank, lent the group  
for the construction  
the Walker blending  
plant.  
terday, Arthur Bell,  
of the independent  
announced a £5.4m  
operation using  
and long-term notes,  
tance new stocks and  
lending.  
stry has been under  
sure in recent years  
movings have risen.  
r example, said this  
of the £1.03m it paid  
charges last year,  
000 related to the  
of around £10m of  
on from bond up-  
se duty was immedi-  
e. The position of  
ers compares un-  
with the brewers in  
t who are allowed a  
race period before  
is paid on beer sales.  
e increases in the  
e for whisky has  
fits, but it will be  
ks yet before the full  
e hefty duty changes  
parent. The initial  
however, is that pub-  
rits are well down  
is a question as to

whether the strength of Bell and  
Teacher as brand names selling  
at premium prices can maintain  
their volume overall at the  
expense of lesser-known com-  
petitors.  
The problems of the textile  
industry are once again being  
widely aired. Just over a week  
ago the Prime Minister told the  
House of Commons in response  
to a call from the British Textile  
Confederation, heartily sup-  
ported by MPs from the textile  
constituencies, that the Govern-  
ment was looking closely at the  
problems created by textile and  
clothing imports, but he offered  
little immediate action.

This week's figures from  
Courtaulds and Coats Patons  
show stable falls in profits in the  
House of Commons in response  
to a call from the British Textile  
Confederation, heartily sup-  
ported by MPs from the textile  
constituencies, that the Govern-  
ment was looking closely at the  
problems created by textile and  
clothing imports, but he offered  
little immediate action.

and stockholding scheme and  
some action to preserve employ-  
ment.  
It is difficult for the textile  
industry to set out any case for  
special treatment. Admittedly,  
an area such as fibres goes  
through a series of particularly  
sharp cyclical upswings and  
downturns, but set against the  
recent experience of their con-  
tinental counterparts, some of  
whom have disclosed massive  
trading losses, United King-  
dom producers such as Cour-  
tauld and ICI have so far had  
a fairly comfortable ride.  
But to judge from comments by  
Lord Kearton, chairman of  
Courtaulds, on the effects of  
the textile recession, the worst  
is yet to come.

For some months after the  
continental fibre and textile  
manufacturers started to feel  
uncomfortable their United  
Kingdom equivalents were  
buoyed up by an exceptionally  
high level of consumer spend-  
ing as well as a very com-  
petitive position in export  
markets due to the artificial  
controls on United Kingdom  
fibre prices.  
It is difficult to determine  
how much of the present diffi-  
culty of the British industry  
are due to the rather sharper  
downturn in the cycle being  
experienced world wide, or how  
much is due to imports, to  
which the United Kingdom  
appears to be especially vulner-  
able.

The protectionists argue that  
Britain absorbs more imports  
than any other European coun-  
try except Germany. The anti-  
protectionists declare that it is  
monstrous to let cheaper tex-  
tile goods from under devel-  
oped countries keep an un-  
economic, listed Kingdom  
industry in employment. As  
is pointed out by Sir Jan Lew-  
ando, chairman of Carrington  
Wells, in a letter to the Busi-  
ness News yesterday, the EEC  
countries are expected to spread  
the burden of import penetra-  
tion more fully to the benefit  
of the British industry, pro-  
vided, of course we remain in  
the market after next week.

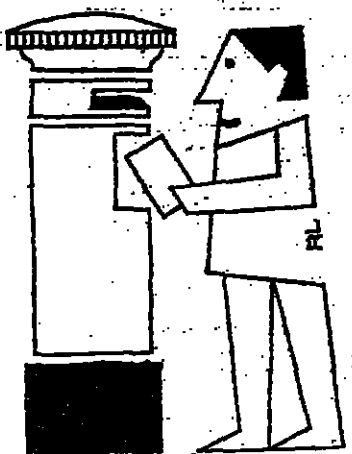
In the short term, however,  
textile groups such as Carrington  
Wells, with heavy borrow-  
ings and a greater degree of  
dependence on the British mar-  
ket (particularly in such import  
vulnerable areas as shirts and  
polyester cloth), must be ex-  
pecting a grim time in 1975,  
although stockholding, if not  
some recovery in demand, after  
the last few months should have  
some impact towards the end  
of the year.

Margaret  
Drummond

on: Readers ask

## Capital transfers within the family

atters in this end-  
round-up cover  
of capital transfer  
gains tax and the  
al transfer tax first.  
1: "Which is the  
for CIT purposes  
hen the donor sends  
t and parts from  
or the day when it  
is in possession of the  
former. Section 20  
nce Act 1975 estab-  
lring into the  
urt from the exemp-  
disposition made  
(the transferor) as  
which the value of  
immediately after the  
s less than it would  
be disposition; and  
by which it is less  
transferred by the



Yes, I agree, no limit is spec-  
ified in such circumstances.  
Incidentally, an individual's  
country of domicile is nor-  
mally a matter of general law  
but the definition of domicile  
has been statutorily extended  
by Section 45 of the Finance  
Act 1975, so that a person may  
under general law have a  
foreign domicile but for capital  
transfer tax purposes is deemed  
to have a United Kingdom  
domicile (for example a person  
who has been resident here for  
17 out of the past 20 years).

Again, this aspect will be dis-  
cussed more fully in a later  
article.  
A question is raised concern-  
ing "a couple who have bank  
current and deposit accounts  
and building society accounts  
all in the joint names, on which  
either can draw without any  
limitation, having also all their  
investments in joint names."

"Would it suffice for either  
spouse who wished to benefit,  
say, an adult child of the  
marriage to draw a cheque for,  
say, £1,000 or £15,000 on the  
joint bank account possibly  
first having withdrawn the

whole or part of it from a joint  
building society deposit to pro-  
vide cover for the cheque—  
then sending the cheque to the  
beneficiary with a letter clearly  
stating that the amount is a  
gift from the mother?"  
"It can be envisaged that the  
father might at the same time  
make a similar gift."

There should be no CIT  
stages here. In last Saturday's  
article I reproduced the state-  
ments of the Chief Secretary to  
the Treasury which made it  
clear that both husband and  
wife can claim the exemptions  
(and the first £15,000 at a nil  
rate), even if in the first  
instance the husband had to  
transfer funds to his wife.

Always provided, of course,  
that there is no condition  
imposed on the recipient  
spouse to gift the funds in a  
particular way.  
On this matter of joint  
accounts it was not normally  
effective, for duty  
planning, to transfer funds into  
the joint names of husband and  
wife (apart from the "matrimonial  
home"). Separate  
accounts were a better idea  
however, for capital trans-  
fer purposes if it was not  
safe to use joint accounts.

The same reader continued:  
"Suppose shares in the names  
of husband and wife jointly  
were given to a child and  
expressed to be a gift to the  
parents. Would the value of  
the shares at the time of the  
gift be set as to half against  
the husband and half against  
the wife? The same question  
can be asked regarding a house  
held in joint names."

The assumption would be  
that the gift was a fifty-fifty  
present, unless the parents  
stipulated some other alloca-  
tion. It must not be overlooked  
that if the original sharehold-  
ing belonged to the husband he  
must not make it a condition

the transfer to a joint account  
that the wife transfers her  
share to be child.  
Turning to capital gains tax  
and estate duty, two questions  
arise. The first is: "In calculating  
the gain on shares purchased  
before April 6, 1965, can one  
add buying costs (commission,  
etc) to the market value on  
April 6, 1965, and deduct the  
cost of the net proceeds  
(unless there would be a  
smaller gain or loss by taking  
the original price)?"  
"The point at issue is the  
correctness of adding the buy-  
ing costs (incurred previously)  
to the market value on April 6,  
1965."

The position here is that if  
on or after April 6, 1965,  
valuation instead of original  
costs the buying costs must be  
claimed. No relief for them can  
be claimed.  
The second question is:  
Assume one has £200 of capital  
losses (brought forward from  
a previous year) and in the tax  
year one has made a capital  
gain of £400 by selling shares  
and also a capital gain of £500  
by selling unit trusts. Can one  
set off the £200 loss against the  
£400 gain from shares, rather  
than against £500 gain from  
unit trusts?"

Yes. The loss of £200 can be  
set against the £400 gain from  
shares allowing the taxpayer to  
claim fully the reduced (or nil)  
rate applicable to unit trust  
gains.  
I suspect that when the new  
age allowances were announced  
well in advance last year in his  
autumn Budget speech, the  
Chancellor had it already in  
mind to increase the normal  
allowances for 1975-76, but for  
political reasons decided not to  
do so. However, I fully agree the matter should  
be taken up.

Vera Di Palma

## Rust performance

STX: Growth and specialist funds (progress this year and year to date). Unitholder index: 1628.8; change since January 1, 1975: 62.7%.

change over to bid net income reinvested over one year: + 10.6%, over three years: + 21.6%.

Applied by Money Management and Unitholder, 30 Flushing Square, London, E.C.2.

	A	B	M & G Core Growth	7.6	-19.9
rowth	47.7	-5.2	Scottish Share Capital	6.9	-35.0
pital	30.8	-5.2	S & P Scottgrowth	4.8	-27.9
al	34.5	-	Target Growth	3.9	-31.4
al Gr	30.8	-27.7	Target Eagle	3.6	-30.0
ast Cap	29.2	-14.0	Target Claymore F	3.6	-30.4
er	35.9	-	Key Capital	3.5	-38.4
er Stat	25.8	-	New Court Small Cos	2.7	-
er Cap	25.8	-	Bridge Telford Cap	1.7	-39.3
er Stat	25.8	-27.5	M & G Recovery	1.4	-35.7
on Gr	23.4	-	New Court Equity	0.7	-35.7
on F	23.0	-20.4	Jacobs Compound	-0.6	-53.5
	23.2	-28.9	M & G Magnum	-1.8	-23.7
with	21.5	-13.9	M & G Magnum	-1.9	-44.5
portunity	19.3	-33.1	Hambro Small Cos	-5.5	-41.1
rowth	18.9	-29.2	Portico Capital	-7.1	-25.7
with	18.2	-32.7	M & G Special	-24.7	-60.7
with	18.6	-35.9	Flyford Capital	-25.8	-49.1
ad	18.4	-	Coyne Growth	-	-
ad	18.0	-14.6			
ad	15.7	-14.0			
pital	15.7	-21.9	SPECIALIST		
in Cap	15.4	-16.4	Ben Samuel Fin	56.1	3.9
	14.5	-	Sanbury Select F	55.7	-
covery	14.3	-24.6	CS Morgan & Gen	49.4	-
round	14.0	-4.8	CT US & General	38.4	-
covery	12.4	-27.9	Target Investment	33.3	-18.7
actions	12.8	-28.7	Oceanic Growth	33.3	-18.4
zum	12.3	-	Target Investment	32.3	-18.4
in Cap F	12.1	-37.3	Oceanic Growth	32.3	-18.4
funds	12.1	0.3	Raydon Internat	31.1	23.2
ital	10.5	-30.6	Hill Samuel Dol	30.1	-
al	10.4	-17.7	Ray West Finan	29.7	-0.1
agressive	10.4	-39.9	Staker	28.3	72.9
apital F	9.3	-37.4	Raydon Community	27.8	-
covery	9.3	-9.9	Charterhouse Fk	27.8	-13.7
Pers Ffio	8.0	-36.0	London Wall Int	26.2	-
	7.9	-15.3	M & G Amercan	25.6	-
			Raydon Far East	25.4	-
			Abbey Investment	25.4	-19.7
			Practical	25.4	-







## Equities end on quiet note

ACCOUNT DAYS : Dealings Begin Monday. Dealings End, June 13. 5 Contango Day, June 16. Settlement Day, June 24.  
 5 Forward bargains are permitted on two previous days.

§ Forward bargains are permitted on two previous days.

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